THE FINANCIAL TIMES, August 11, 1971

FINANCIAL TIMES

No. 25,528 Wednesday August 11 1971 ** 6p

News Summary

GENERAL

Arab-Soviet row

Syria moves to assure Moscow

Syria's Vice-President Mahmoud Ayoubi and Foreign Minister Abdelhalim Khaddam left Beirut unexpectedly for Moscow yesterday. Informed sources said they were on their way to mediate between Russia and the Sudan.

Relations between Russia and the Arab world have been clouded in the wake of suppression of the abortive pro-Communist coup in Sudan last month.

They will assure Soviet leaders of Syria's desire to maintain close co-operation with Moscow and deny allegations that their regime is planning to suppress Communists.

Meanwhile, the Egyptian Foreign Ministry is planning Cairo's next move in the Middle East crisis, believed to be an all-out UN effort to isolate Israel and the U.S. Page 8

Optimism on Berlin talks

West German Foreign Minister Walter Scheel expressed optimism over the outcome of the four-power ambassadorial negotiations on Berlin which Western diplomatic sources said entered their decisive phase with yesterday's meeting. The meeting is trying to safeguard the land routes to West Berlin and preserve the city's ties to West Germany.

Three years' jail for pornography

Two men alleged to have hoped to get the help of Oz magazine to sell obscene photographs of youths and recruit models, were sentenced to the maximum three years' jail at the Old Bailey yesterday. Andrew Prichodsky, and Kenneth Edward O'Neill, pleaded guilty to possessing obscene photographs for publication for gain. Judge Edward Clarke said: "This is hard-core pornography at its worst, coupled with a very strong element of corruption of youth. In my view you merit the maximum penalty."

At Marlborough Street court, Island Lott Publishing was fined £150 with £25 costs and its manager, Gerald Kingsland, £75, after pleading guilty to offences under the Obscene Publications Act in the magazine Curios.

Belfast 'hostile area'—BALPA

BALPA declared Belfast a "hostile" area and promised to support any members refusing to stop there overnight. It said it had taken the action because in recent weeks a number of members had been victims of terrorist incidents. Page 27

Party switch by Lindsay expected

New York Governor John Lindsay, a prominent member of the Republican Party, may announce this week that he is to switch parties and become a Democrat, it is believed. His predicted defection, if it comes off, could seriously damage the Republican liberal wing. Jurek Martin writes, Page 5.

Briefly . . .

A year-old girl was found murdered in a copse at Garston, Watford, Herts.

Fifteen children and their parents were taken to hospital at … when their mini-bus, taking them on an evening cinema trip, crashed.

European Games: David Bedford was sixth in 10,000 metres won by Finland's Vaatainen in …'5, third fastest time. Clement Freud, Page 10

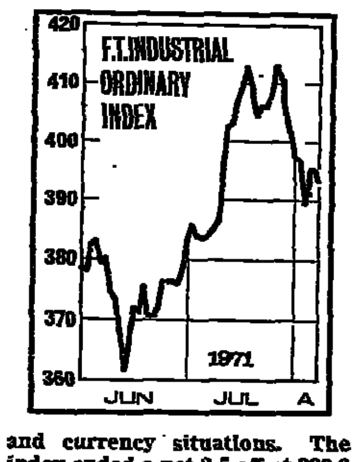
Admiral's Cup: Britain's team, captained by Mr. Heath, made up ground and, barring accidents, will win by about 40 points from the Australians. Page 10

Third Test: Rain washed out final day, making result a draw. Scores: England 386 and India 212 and 65/3. Page …

BUSINESS

Cavenham makes 3rd bid for Bovril

● **LONDON EQUITIES drifted lower, affected by the Ulster**



and currency situations. The index ended a net 2.5 off at 393.3 after 392.6.

● **GILTS, ending at losses ranging to ¼, were above day's lowest.**

● **RUBBER SHARES rose on the bid for Seafield.**

● **WALL STREET'S index ended 3.06 lower at 839.59.**

● **CAVENHAM** is making its third bid for Bovril, worth £14¼m. and valuing Bovril at 475p a share compared with the 436½p of Monday's increased offer by Rowntree Mackintosh on Monday. Meanwhile Cavenham has added a further 7 per cent. of Bovril's equity to its holding at an average price of 460p. In after-hours dealings Bovril shares reached 477½p, or 10p up on the day, suggesting hopes of yet another Rowntree bid.
Back Page; Lex

● **SIME DARBY HOLDINGS,** Far East merchants, intends to make a £14.3m. bid for Seafield Amalgamated Rubber. But Seafield's Board calls the offer "misconceived, inadequate and unsatisfactory."
Page 17; Lex

35 non-union engineers dismissed

● **THIRTY-FIVE SENIOR** engineers employed by C. A. Parsons at Newcastle-on-Tyne have been given dismissal notices because they have refused to join a union. They are members of the United Kingdom Association of Professional Engineers—which has asked the Employment Department to intervene. C. A. Parsons last year agreed to make union membership a condition of employment within a year.
Back Page

● **UPPER CLYDE** shop stewards plan another half-day demonstration for next Wednesday, involving a mass walk-out in the West of Scotland and other areas. A Glasgow meeting of 1,000 shop stewards yesterday assured the UCS men of massive financial support.
Back Page

● **STOCK EXCHANGE'S** settlement system costs member firms £20m.-£25m. a year; its peak work puts heavy demands on staff. So says a Stock Exchange interim report which supports the Radcliffe Committee's view that the daily "rolling" Account suggested by the earlier Heasman Committee was not feasible. But the interim report, outlining a compromise, applies many Heasman ideas to a weekly or fortnightly Account.
Page 10

● **NORTH ATLANTIC AIR** fares delegates in Montreal are to vote on a new package which includes return for $195 off-season and $225 peak period; and an advance purchase plan costing $199 and $249.
Page 15

COMPANIES

● **J. BIBBY AND SONS'** foreshadowed recovery amounts to first-half profit of £427,000 against a previous half-time loss of £477,000. Interim is 1½ per cent. (nil). Page 18; Lex

TENSION STILL VERY HIGH IN ULSTER

Dublin Minister in London to-day for urgent talks

BY JOHN BOURNE, LOBBY EDITOR

Dr. Patrick Hillery, the Irish Republic's Minister for External Affairs, is expected to suggest a conference "of all interested parties" to discuss the long-term political problems of Ulster when he sees senior British Ministers in London this morning.

The talks were hastily arranged after yesterday's meeting of the Irish Cabinet, which decided that Dr. Hillery should fly to London.

He arrived at London Airport—Heathrow last night but left in an Embassy car without speaking to reporters.

A statement after the Cabinet meeting said that Dr. Hillery's visit was of crucial importance to end the "appalling carnage and violence in the North.

The statement added: "It is clear that the introduction of obviously one-sided internment in the North is a last desparate attempt to sustain the Stormont regime. The decision is already seen to have been futile and, even worse, it has been a tragic mistake."

This may seem rather strongly worded but it is felt that much of it is purely for home consumption.

The Irish Ambassador told the Foreign Office that Dr. Hillery would like to have talks with a "member of the Government," and later it was arranged that he should see Mr. Reginald Maudling, Home Secretary and acting Prime Minister, and Mr. Joseph Godber, Minister of State for Foreign Affairs.

Sir Alec Douglas-Home, the Foreign Secretary, is on holiday in Scotland and Mr. Heath is not due back in Plymouth in his yacht until later to-day.

The British Government, it is said, has no advance notice of the aspects of the Northern Ireland crisis which Dr. Hillary wishes to raise. But they are prepared to hear some harsh words from him about this week's internments in Ulster.

Reports from Dublin, however, suggest that Dr. Hillery will limit himself to three points:—

1—His Government's anxiety about the effect of the internment decision on the Ulster situation.

2—Regret that the security problem has tended to overshadow the important question of Stormont's programme for social and constitutional reforms to improve the position of the Roman Catholics.

3—Internment is a short-term measure, and everyone should now be examining the long-term problems of Ulster.

Why a "political solution" must be found Page 15

In this context Dr. Hillery is expected to suggest a conference of "all interested parties"—involving the U.K., the Republic and leading representatives of both the Protestant governing party and the Catholic minority in Ulster. The aim of the conference, which he would like Britain to originate, would be to discuss ways of conciliating between the two religious communities and repairing the damage done so far. This proposal has much in common with the proposal of Mr. James Callaghan, Labour's "shadow" Home Secretary, for an "all-Ireland council."

Last night Mr. Maudling was still reluctant to discuss the possibility of any conference at the moment, mainly on the ground that the present violent atmosphere in Ulster was hardly conducive to success.

At Westminster yesterday Mr. Gerry Fitt, Republican Labour MP for Belfast West, joined forces with a group of Labour Members to urge the Government to recall Parliament.

After a day of telephoning, they had collected the names of 33 Labour MPs. Their prize catches were Mr. Ian Mikardo, chairman of the Labour Party, and two former Labour Ministers—Mr. Charles Pannell and Mr. J. P. W. Mallalieu.

The organisers, Mr. A. W. Stallard, Mr. Michael O'Halloran and Mr. Russell Kerr, have written to Mr. William Whitelaw, Leader of the Commons, saying that this group demands the immediate recall of Parliament to debate the "serious situation in Ulster." They have sent a copy to Mr. Wilson.

They realise, however, that their best chance of success is if Mr. Wilson, as Leader of the Opposition, supports their demand. They are therefore aiming to collect a total of 100 Labour signatures. If they succeed in this, and in any case if the situation in Ulster deteriorates further. Mr. Wilson may well ask for Parliament to be recalled.

Shooting continues in Belfast, Derry

BY DOMINICK J. COYLE

BELFAST, August 10.

TENSION was again building up dangerously here and in many other parts of Northern Ireland to-night, following a day which saw a relative lull in the rioting after last night's orgy of street violence and deaths.

Terrorist sniping continued intermittently throughout the day here and in Londonderry, and this evening barricades were being erected in many of Belfast's troubled areas. At least three soldiers were wounded by snipers here and a further two were hit in Derry. One of them died later in hospital.

Assessment

The Stormont Cabinet, at its usual Tuesday meeting this morning, considered the latest reports of the violence and destruction and assessed the preliminary results of Monday's big security swoops on suspected terrorists and other Republican sympathisers.

Ministers also decided on immediate welfare steps to assist hundreds of people made homeless after last night's rioting.

No official information has yet been released on the exact number of people to be interned without trial under the Special Powers Act. But some firm figures are expected to be available to-morrow.

Meanwhile, Ministers and security chiefs have been surprised and shocked by the extent of the violent reaction to the internment decision. The police confirmed to-day that 17 people were known to have died in the province in the past 36 hours, with more than 100 casualties.

Ominous

Government sources were expressing guarded optimism during the day that last night and early to-day might have seen the worst of the rioting, but later this evening there were ominous signs that many gunmen are still on the streets harassing the troops. Other snipers have taken up positions on rooftops.

The Government's joint security committee is due to meet on Thursday but reports from Republican sources across the border in the Irish Republic suggest that many leading members of the Provisional wing of the IRA managed to escape the big security net which resulted in the detention of some 300 people.

It is still impossible even to begin to assess the full cost of the past 24 hours of destruction in Belfast, Derry, Newry and elsewhere. About 200 mainly Protestant-occupied houses were destroyed last night on the periphery of the predominantly Roman Catholic Ardoyne area at an estimated cost of roughly £500,000. But very many other commercial and private buildings have been damaged by fire, and some were still smouldering late this evening.

Continued on Back Page

Swan Hunter's chief warns of threat to Tyne

BY ALEX HENDRY, LABOUR REPORTER

SIR JOHN Hunter, chairman of Swan Hunter, whose five Tyneside yards have been shut down by a pay strike warned yesterday that the shipbuilding consortium had been pushed into a serious situation by labour troubles.

He said in Newcastle: "It is no use saying that shipbuilding will always go on on the Tyne." Shipbuilding would die, he said, unless it had a long, trouble-free run and all-round enthusiastic co-operation from its workers.

Not like UCS

Sir John said Swan Hunter was not in a situation like that at UCS in Scotland, but, he added: "We are not insolvent in that sense and nowhere near, but our shipbuilding company could be in very severe difficulties if people go on with delays and stoppages and are not ready to co-operate."

The most recent strike—by 2,800 ancillary workers, who have been recommended to go back by their union and shop stewards—began a week last Sunday and has forced the lay-off of 7,500 other shipyard workers.

Mr. Andrew Cunningham, northern region secretary of the General and Municipal Workers' Union, met the shipyard stewards yesterday to report back on the meeting of the union's executive on Monday, when it decided to recommend to the men acceptance of the company's latest pay offer.

After meeting the stewards Mr. Cunningham attacked Sir John Hunter's statement. He said: "I get rather tired of management and other people in industry continually blaming the British worker for the inefficiencies of themselves."

He added: "It does not improve industrial relations when Sir John Hunter, who has had an enormous salary increase, puts the blame on poorly paid workers who are getting only £17 a week, for the troubles of shipbuilding."

Meeting Friday

Mr. Cunningham said the stewards had accepted the union executive's decision, and a mass meeting of the strikers next Friday would be recommended to return to work. Last Sunday a mass meeting of the men rejected by a narrow majority the company's offer of £21.15 a week, with increases next January and one year later.

Sir John said in his statement yesterday that since the consortium was formed in 1968 the labour force had risen from 8,200 to 10,500. This was an increase of 28 per cent.

He went on: "In spite of increased employment and every Tyne yard operating with a larger workload and a larger labour force than before and with the reputation of these yards for quality and completions never higher, some factions on Tyneside give the impression by their attitudes and actions that they do not want shipbuilding to continue on the Tyne."

Sir John said the creation of the consortium had been ex-

Sir John Hunter

pected to achieve a common wages structure and common working conditions to replace the multitude of different rates and conditions. He said the series of labour disputes over pay this year were now threatening the existence of shipbuilding on the Tyne.

He said many of the factors that it had been thought would help the consortium—such as centralisation of purchasing, planning and designing—had worked well. But, he added: "We are still subjected to the same union pressures, yard by yard as before. There has been no significant improvement in union attitudes in relation to abandoning insularity in the common cause."

Serck ends U.S. licensing agreement

SERCK CONTROLS, of Gloucester, and Masoneilan International, of Norwood, Mass., have mutually ended their licensing agreement.

Both companies plan to continue to manufacture and market split body control valves under their respective trade names.

Mr. Peter Walker, director and general manager of Serck Controls, said yesterday: "The ending of this agreement frees us from an association which no longer has any real value.

"The association was about technical co-operation, intended to be of help to both companies. In fact, we have done 14 years of our own development work. And in addition our own research laboratories have led us to new designs, which owe nothing to our American partners.

50 leading groups still not in CBI price pact

BY HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

ALTHOUGH only 150 of the U.K.'s 200 leading companies have so far signed the Confederation of British Industry's undertaking on prices restraint, the CBI has decided not to name those which have refused—yet.

The Confederation is still considering whether to publicise the companies refusing to commit themselves to limit price increases to a maximum of 5 per cent. over the next 12 months. It may do so when a further report is made on the situation on September 8.

Most observers had expected a more encouraging response to the CBI's initiative, announced over three weeks ago, particularly in view of the Government's introduction of reflationary measures, but Sir John Partridge, the CBI's president, described support as "highly satisfactory" yesterday.

Holiday delays

He pointed out that a number of the companies which had not yet returned signed undertakings had indicated that they would do so. Their formal agreement to support the policy had been delayed by industrial holidays and the need to convene Board meetings, he said.

"When the final count is taken, I expect only a small number of companies to have declined to sign the undertaking, and some of these we know support the CBI's initiative, but for special company reasons have felt unable to commit themselves formally in writing," Sir John said.

The problem for the CBI is that while the response of 25 per cent. of the 200 companies approached is still in doubt, there is unlikely to be a favourable reaction from the unions to suggestions that they should operate a reciprocal system of voluntary wages restraint.

It is believed that only a handful of companies have definitely refused to sign the CBI undertaking, in fact, and so far they have not explained their reasons for doing so publicly.

Many of the 150 concerns which have signed have made their decision known, including such important groups as Imperial Chemical Industries, Shell-Mex and BP, all the major car manufacturers, and Hoover.

In addition, Sir John revealed yesterday, another 350 companies—"many of them substantial employers"—have sent signed promises to operate voluntary prices restraint to the CBI, although not specifically asked to do so.

Encouraging

"Many trade associations are continuing to urge their members to support the CBI's policy," Sir John said. "In thanking members for the exceedingly encouraging response, I include the State-owned industries.

"Their early acceptance of the policy of price restraint was a prerequisite of the success of the CBI's initiative, not least because of their situation as primary producers and suppliers to the rest of industry."

Nevertheless, although the nationalised industries accepted the CBI's plan quickly, some of them—particularly the British Steel Corporation and the Post Office, on the postal side of its business—admit that it will lead to heavy losses during the current financial year.

Eurodollars in demand

BY MICHAEL BLANDEN

FOREIGN exchange markets were generally a little quieter though still uncertain yesterday as the pressure of dollar selling was partly diverted through sharp rises in the cost of Eurodollars. As a result, the dollar ended the day a little stronger against some leading European currencies.

In Frankfurt, the D-Mark was 7.3 per cent. above its old parity at the mid-day fixing at DM3.4115. Exchange rates fluctuated widely there and in London in uncertain conditions and with doubts about the latest Swiss measures to contain the currency movements helping to unsettle the markets. But the dollar firmed up later against the Mark, reaching DM3.420 before closing at around DM3.410.

In Switzerland, following talks between the National Bank and the "big three" commercial banks, it was reported that efforts will be made to bring in the agreement for controlling the currency inflow ahead of the expected date of August 20.

Emphasis was being placed particularly on the part of the agreement which would permit the imposition of 100 per cent. minimum reserves on foreign holdings.

Problems of a $ parity change Page 14

In Zurich, the dollar was a little stronger, being dealt during the afternoon at around Sw.Frs.4.0680, again above the National Bank's intervention point of Sw.Frs.4.0600. In London, however, the Swiss franc ended the day still quite strong at 4.0570 to the dollar.

Eurodollar rates took much of the strain as strong bidding took the cost of call money up to around 8-9½ per cent., compared with 6¼-7¾ on Monday. This helped to discourage the pressure on spot exchange rates. Sterling ended the day 1/16 lower against the dollar at $2.41⅞, though reflecting the strength of Eurodollars the pound forward rates were notably strong.

At the same time, gold came back from the peaks recorded on Monday. After early trading in erratic conditions at around the previous close of $43.80 an ounce, the metal was fixed in the morning at $43.30 and ended the day at that level for a drop of 50 cents.

ON OTHER PAGES

MEXICO

To-day's issue contains five pages (19-23) on Mexico

THE £ ABROAD

—	Close Aug. 10	Close Previous
New York (Spot)	$2.4190-4193	$2.4194-4196
Do. (1 month)	0.06-0.03 dis	Par-0.05 prem
Do. (3 months)	0.08-0.11 dis	0.10-0.15 dis
Do. (12 months)	1.30-1.80 dis	2.10-1.90 dis

PRICE CHANGES

(Prices in pence unless otherwise stated.)

RISES		
… and Gibbon	71	+ 10
… e Prop.	111	+ 7½
… ont Prop.	113½	+ 7½
…	477½	+ 10
… & Gotch	165	+ 8
… Bros.	90	+ 9
… iternll.	125	+ 4
… Walker (S.A.)	350	+ 10
Smith (David S.)	47	+ 5
Swan Hunter	38	+ 4½
Turriff Constcn.	48	+ 5
Anglo Ecuador	72	+ 8
Basin Oil	14	+ 7
Bridge Oil (5cts. pd.)	10½	+ 5½
Golden Hope	45	+ 5
Seafield Amal.	56	+ 11
Anglo Utd. Dev.	69	+ 7
FALLS		
AAH	123	− 8
Amal. Inv.	325	− 10
Amal. Stores	6	− 4½
Automotive Prods.	620	− 50
Bibby (J.)	91½	− 14½
Commcl. Union	456	− 22
Decca "A"	187	− 10
Distillers	149	− 4
GUS "A"	399	− 7
Miles Redfern	110½	− 9
Royal Insurance	386	− 10
Saunders Valve	161	− 7
Sears "A"	136	− 7
Thorn Elect.	394	− 9
Trutex	140	− 7
Whessoe	55	− 5
Anglo-Vaal	770	− 15
CAST	212	− 7
Rio Algom	766	− 14
Tara Exploration	710	− 45
Transvaal Con. Land	325	− 10
West Drie.	975	− 15
Winkelhaak	174	− 4

U.K. DAILY STOCK INDICES

FINANCIAL TIMES

	Aug. 10	Aug. 9	Yr.ago
Govt. Secs.	74.11	74.30	70.76
Fixed Interest	73.99	74.11	72.66
Industrial Ord.	393.3	395.8	341.4
Gold Mines	58.6	†58.5	68.5
Ord. Div. Yield	3.84	3.82	4.89
Earnings Yield	6.00	5.97	6.68
P/E Ratio	16.68	16.76	14.97
Dealings marked	11,664	11,227	7,700

† Corrected.
Industrial Ord. (noon) 393.0.
For latest share index phone (01)-246 8026

F.T.-ACTUARIES

	Aug. 10	Aug. 9	Yr.ago
Industrial Group	163.06	164.53	—
500 Share	178.77	180.24	135.38
Div. yield pc	3.70	3.67	4.77
P/E Ratio	17.38	17.52	13.94
All Share	175.80	177.25	129.36
Consols yield pc	9.03	9.03	9.13

ANNUAL STATEMENTS

INTERIM STATEMENTS

Letters to the Editor

BRACKEN HOUSE, CANNON STREET, LONDON, EC4

Crown Agents' dealings

Sir,—I write this letter with reference to the recent House of Lords debate that took place in response to the publication in the Guardian last week of allegations concerning the investment policy of the Crown Agents.

The Crown Agents are a team of investment managers who, like others of their profession, have *undertaken responsibility* for the investment of their clients' funds. They are unique in that their clients are composed of over 250 overseas governments and public authorities: because of their official nature they *prefer to deal through a body* with some sort of "official" backing. Hence the "Crown Agents" are appointed by the Government.

The attackers express their alarm that "this money could be tapped by property developers, bankers and other entrepreneurs," thus "enabling individuals to build up private fortunes." Outraged by this, the Lords began to question closely the Under-Secretary at the *Foreign Office (Lord Lothian)* about the authenticity of these statements, the nature of the beneficiaries and the authority by which the Agents had made what investments they had.

As a former executive with a London merchant bank, I should like to state categorically that the Crown Agents *do* have dealings directly with bankers and other finance *houses in the City* and that property developers have and are now benefiting from funds originating from the Crown Agents, partly because most merchant bankers are also property developers themselves.

It is *precisely because* these elements know what to do with money that London has grown into its present size as the world's financial centre. If these businessmen were not allowed to make a profit out of their transactions with *the Crown Agents* then presumably they would not deal with them. Meanwhile, it is because of the ability of the Crown Agents to give their clients a satisfactory return on their capital that they have any business *at all*.

Portfolio

The House was disturbed that this investment policy might not be in the best interests of the *nation's economy in view* of the estimate that the size of the Agents' portfolios exceeded £1,000m. Few can deny or seriously challenge the policy of dealing with private enterprise, contrasting its record of consis*tent success* with the Government's sorry performance in this field, especially during the past twelve months.

Even if the Agents refused to deal with the "private monsters," the entrepreneurs would gain from the funds somewhere along the line, if that line was to be one of profitable investment. The fact that the sums managed "are in excess of £1,000m." surely says a lot for the Crown Agents and the businesses in which they invest.

With Vehicle and General, Rolls-Royce and UCS still in the news, I should feel that in the event of the Government being able to direct Crown Agents' policy it would be a matter for hot debate *whether* the *British* bankers and property developers or the overseas clients would be the first to sever agreements with the unfortunate Agents.

The affair is historically interesting: in the light of the *tremendous streamlining* and modernisation that has gone on in the world of business finance and investment in London during the past decade, the attitudes of the Establishment—radical or reactionary, into whose hands we have entrusted our government—towards this subject resemble a knight in rusty armour charging a Chieftain tank.

K. L. Assheton-Salton,
c/o New Ferry P.O.,
Wirral, Cheshire.

Cut off from security

Sir,—Mr. Spearman (August 5) might add the following incident to his catalogue of Post Office "*mistakes*":

During the afternoon of August 2 we were notified by our burglar alarm service that a fault had developed on the security telephone line and that they had notified the Post Office *engineers; the fault* had not been corrected by that evening and exceptional security measures had to be taken on both Monday and Tuesday nights.

The Post Office at first claimed that they were unable to trace any account holder for the number in question but, after a great deal of pressure, by Wednesday afternoon they were telling quite a *different tale*.

It emerged that, at sometime on Monday, an instruction had *been issued to terminate the* line in question and the engineer had disconnected the line at the telephone exchange. At the time of writing, the Post Office has told us neither how the instruction originated nor on *whose authority it was carried* into effect.

The special conditions upon which security lines are rented demand that, in the first place, the user receives priority attention when a line fault is diagnosed and, secondly, that no alteration or modification of any kind whatever can be effected without the prior written instruction of the security company.

H. A. Chesterman,
6, Haslemere Avenue,
Hendon, N.W.4.

Opinion polls and research

Sir,—While I appreciate both the fact of Mr. Dakin's report on *my comments on* Market Research and the general tone of his piece (August 5) there are two points of detail on which I would like to set the records straight.

Mr. Dakin states that the re*port of the Market Research* Society's sub-committee on opinion polls was due last March. This is not so. There never has been a due date for this report as I told the annual conference of the Society earlier this year. It will be published when it is ready, but, in any event, I think I can guarantee that it will take nothing like the *4 years that an American sub*committee took in a similar situation in 1948!

Mr. Dakin also attributes to me the view that the performance of the opinion polls at the last General Election is *still* having effect on the amount of research being commissioned. I fully appreciate the difficulties of verbatim reporting and while I *may well have expressed* the view that immediately after the last General Election there may have been some effect on the market research business brought about by the apparent performance of the opinion *polls, I feel* that I must make it clear that I do not happen to believe that there is currently such an effect operating.

Gerald de Groot,
Chairman,
Market Research Society,
c/o Lintas,
Lintas House,
New Fetter Lane, E.C.4.

A hazard to man

Sir,—Under the above heading in your August 3 issue, David Fishlock tells us of the invaluable work the Animal Health Trust has done under the guidance of Mr. Richard Beer at the AHT Farm Livestock Research Centre at Stock *in* Essex. There should be no need for me to reamplify the heading "Pig disease may be a hazard to man."

Is it not almost impossible to believe that this vital station is about to be closed down for want of funds? Vital not only to human life all over the world but vital to this country in time of war when home food production vies with the Armed Forces in priority of importance.

The Animal Health Trust at its Research Centre at Stock has continued over the years to build up an incredible mass of knowledge and treatment know-how regarding farm animals, and it is beyond comprehension that *for want of funds*—insignificant against the background of other expenditures—the Animal Health Trust Farm Livestock Research Centre at Stock could cease to exist.

Failing all else, the Government should take a hand.

K. S. Marsh,
Edgarley Manor,
Glastonbury, Somerset.

Local income tax

Sir,—The Japanese have the answer to raising local funds on an equitable basis and at the same time maintaining public interest in local *finance and ex*penditure. I refer to their system of Citizens Tax which is simply defined as a rate struck by each Borough or local Ward on the amount of national income-tax paid by local residents.

The procedure is simple to operate, the tax cheap to collect and the base entirely equitable. *All* tax payers *complete* their tax return in triplicate and once it has been agreed with the national tax authorities the second copy goes to the tax payers Local Authority while the third copy is retained by the tax payer. *The Local Authority* work 12 months in arrears of the National Tax Authority and then strike a rate on the total income-tax paid by residents the previous year. This is then paid in four quarterly instalments.

Advantages of a suitably modified system for the United Kingdom would be:

1. The tedious and expensive rating valuation overhead would no longer be necessary thus reducing the costs of *local government.*
2. An element of rational comparison between the operating costs of local government operations would become apparent. If the citizens tax rate in Manchester were 18.5 per cent. as against 22.5 per cent in say Birmingham, then residents of Birmingham would rightfully ask why?

Citizens' tax rates receive wide publicity in Japan and can figure strongly in selection of *investment and residential* areas.

The present archaic anach*ronisms would disappear, costs* would be reduced, arguments as to fair valuations would be removed and we would finally tap that *wealthy source* of multiple household earners who at present do not pay their way as far as local government is concerned.

The Japanese can not only tell us how to build ships at a *profit*, they can *also teach* us a thing or two on local taxation.

D. D. Hurley,
Bovey Cottage,
Betchworth, Surrey.

Rates: U.K. and Japan

Equality in rating

Sir,—I agree with what Mr. Wilkins (August 3) says, and I am writing only to say that more emphasis should have been given to his point on house rates.

Take a pair of semi-detached houses, both rated at exactly the same figure for general *and water rate*. One occupied by one person, the other occupied by six adult persons (not at all unusual).

It is obvious that the demands of one household are greatly in excess of the other on *all* local government services—particularly water, sewage and *refuse*.

In most areas water rate is levied as a percentage of general rate—a rise in general rate is automatically followed by a rise in water rate.

It cannot be too strongly put, *that the rating of* houses is grossly unfair and unjust—and I have said so for years in letters to local press, councils and to Ministries. The replies *received* have been weird and wonderful, and quite incomprehensible.

H. Wilson,
6, Riding Street,
Whitelee, Batley, Yorks.

Management game

Sir,—As chairman of one of the other finalists I would like to reply to Mrs. Derrick's letter published on August 5.

I believe Management Games are very worthwhile if used as part of an overall training pro*gramme*. They force the participants to act as a team under competitive conditions and can enable people from different disciplines to gain an understanding of each other's work and problems.

But they are games which of necessity cannot cover many of the problems in real life; on the other hand it says a great deal for the National Management Game and for Ken Williams of ICL, (the administrator) that it was won by a team which played in an orthodox manner without using any special gamesmanship.

I am also sure Mrs. Derrick is *correct* in *suggesting* that there may be a lot of hidden talent in companies and in many cases this will be due to management not properly "eyeing" their staff.

I. D. Watson,
11, Ironmonger Lane, E.C.2.

East Kilbride offer too low

Sir,—On Wednesday, August 4, you published the news that Express Dairy (Grand Met.) had *offered* 75p for the shares of East Kilbride Dairy Farmers. By the next day the Board of EKDF had, with somewhat indecent haste, recommended the offer as fair and reasonable.

The Board apparently had the advice of Singer and Friedlander. In my opinion these advisers should have spent a little more time on the offer. The *balance-sheet of EKDF* shows net assets of 85p per share and that includes some £733,000 of properties as valued in 1954! If these properties have only doubled in value over the past 17 years the value of these *shares would be 135p.*

Shareholders in EKDF should reject the offer out of hand, noting that the Board's direct interest in a fair offer is a miniscule one.

J. Morrison,
2, The Pastures,
Barnet Lane, N.20.

Tapered gains tax

Sir,—Let us hope that the Chancellor of the Exchequer pays some heed to Mr. Norman Harrison's suggestion (August 4) of tapering capital gains tax to eliminate any need to refer to the share prices on April 6, 1965, otherwise we shall be faced with *volumes of either* Moodies or Extel capital gains tax prices within a very few years.

P. McTernan,
30 Cofton Lake Road,
Rednal, Birmingham.

Two cheaper than one

Sir,—If Mr. Wilkins (August 6) is really prepared to argue that it does not cost 20 per cent. more to travel on a one-man bus then perhaps he would *like* to accompany me to the station one morning. Unless, of course, he would prefer to wait for a two-man bus which, I have observed, some people actually do.

As to the excuse for the fare increase, as a London Transport executive Mr. Wilkins should surely be aware of the real reason for the non-use of the *machine-pay entrance*. It has nothing to do with coin shortages. It is simply that people got fed up with struggling with recalcitrant broken-down mechanism and soon got out of the habit of trying to enter by that means.

Even last week every single passenger I saw get on paid the driver.

L. W. Parker,
66, Highview Gardens,
Edgware, Middlesex.

An unanswered letter

Sir,—Mr. Spearman is not alone in his troubles with the latest edition of the London *telephone* directory.

My own entry has been omitted altogether, along with an associated additional entry on a different page.

And a letter on the subject to the North Central Area Office has remained without an answer for seven weeks.

A. E. L. Parnis,
26, Ardilaun Road,
Highbury, N.5.

Residential mortgages

Sir,—I agree entirely with Mr. Fells (August 4) that it is wrong not to apply discounted cash flow methods when comparing the cost of house purchase by the normal building society repayment method, with that using an endowment assurance policy. In his calculations, however, he has failed to place any value on the *insurance cover* the latter provides during the period of the loan.

It is surprising that Mr. Brown (August 6), as a life assurance consultant, did not draw attention to this omission.

W. Simpson,
18, Wallgrave Road,
London, S.W.5.

An "arrangement" charge

Sir,—I entirely agree with Mr. Nigel Vinson's (August 5) comments regarding Bank Rates. There is also another aspect of banking that, in my opinion, is very serious as far as the whole country is concerned. This is the current trend of several large banks to substantially increas[e] the interest rates they charge t[o] *small and medium size firms* o[n] overdrafts.

It would appear that a larg[e] *proportion of bank customers* ar[e] now suffering from lack of com[]petition in banks, due to amal[]gamations during the last fe[w] years.

There is also the iniquitou[s] practice that has crept in durin[g] the last year or so, of chargin[g] what is termed as an "Arrange[]ment Charge." Only because [] *specifically asked what* charge[s] had been debited to our accoun[t] other than interest charges, di[d] I find out that during the last 1[] months, our bank—without ou[r] authority—have debited ou[r] account with £100 for this s[o-]called "Arrangement Fee." [] greatly deplore this practice an[d] I am convinced that if bank[s] continue with these actions t[o] the detriment of their customer[s] they will quickly lose the tru[st] and respect they have so right[ly] enjoyed in the past.

D. A. Young,
Blackgrove Farm,
Lingfield,
Surrey.

Rail coach doors

Sir,—Readers of the rece[nt] correspondence about doors [] rail coaches may be interest[ed] to know that treadle operat[ed] doors at the ends of saloons [] the type described by Mr. D. Jones (August 4) are plann[ed] for the next series *of Inter-C[ity] coaches now being designed* [] British Rail. These new coach[es] which will also have full a[ir] conditioning, *adjustable* sea[ts] and public address equipme[nt] will be the standard coach [] *Inter-City services—and not*, [] on the Continent, for a fe[w] prestige trains on which pa[s]*sengers must pay a suppleme[n]*tary fare.

I can also re-assure Mr. D. Duff (July 30) about the [ex]terior doors on the new a[ir-]conditioned coaches now in s[er]vice on the Eastern Regi[on]. These doors are spring operat[ed] and close automatically behi[nd] the passenger. Interior do[ors] are still necessary to prese[rve] the air-conditioned, environm[ent] when the main carriage do[ors] are opened by passengers [at] intermediate stations.

A. E. T. Griffiths,
Executive Director,
Passenger,
British Railways Board,
222, Marylebone, N.W.1.

Events

To-day

COMPANY MEETINGS—

BRITISH LION, Broadwick House, W., 11.15. (Chairman, Lord Goodman.)

BROWN AND TAWSE, Dundee, 12. (Chairman, Mr. S. D. Rae.)

FODENS, Sandbach, 3. (Chairman, Mr. A. Stubbs.)

MORGAN-GRAMPIAN, 28, Essex Street, W.C., 12. (Chairman, Mr. N. P. Dew.)

SIEMSSEN HUNTER, Abercorn Rooms, E.C., 12. (Chairman, Mr. R. J. Freeman.)

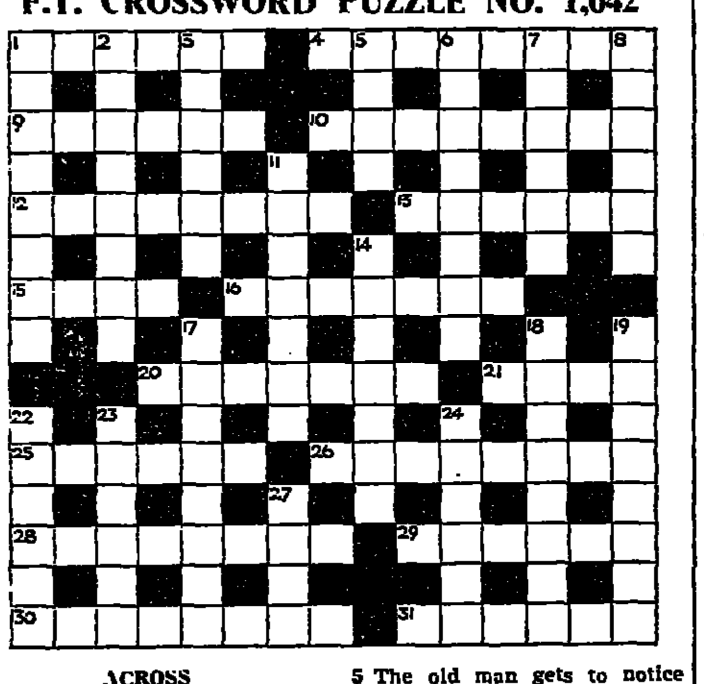
VICTORIA CARPET, Kidderminster, 3. (Chairman, Mr. J. G. Anton.)

ITA LOCAL RELAY STATIONS

The Independent Television Authority's first *UHF* local relay station has been brought into programme service at Pendle Forest, Lancashire. It will improve the reception of Granada 625-line colour/black-and-white programmes for about 150,000 people living in Nelson, Colne and parts of Burnley.

ITA plans to build about 450 local relay stations over the next *eight years to supplement* the coverage of main high-power UHF stations.

F.T. CROSSWORD PUZZLE NO. 1,642



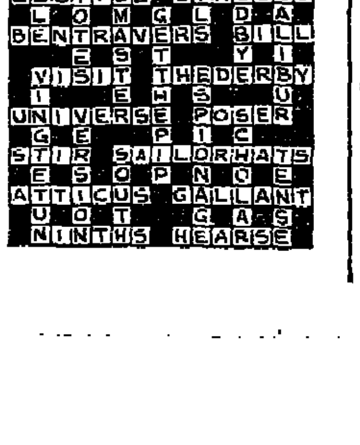
ACROSS

1 Get a car and master the smallest points (6)
4 Old port for sailors (8)
9 The worker is on edge in Ireland (6)
10 Upsets a fool in the game (8)
12 You need a garment in the attempt to caricature (8)
13 Goes on ice right after the fish (6)
15 Find me round the current staff (4)
16 Boredom can give place to sleep (7)
20 Crustacea that keep to themselves (7)
21 Language found in an old city of the French (4)
25 A flying island (6)
26 Mark with a manuscript of contradictions (8)
28 Zealous performer like Dorcas (2-6)
29 Put back the chap in colour (6)
30 Smooth flow at close of day (8)
31 City for a female in the Women's Service (6)

DOWN

1 A shabby experience to keep you punctual (4, 4)
2 It's crazy to produce a bird (8)
3 People get around to help a young girl (6)
5 The old man gets to notice morning (4)
6 The coloured staff supplies an usher (5, 3)
7 Tessa's useful qualities (6)
8 Barren recompense (6)
11 "As many fresh —— meet in one salt sea" (Henry V) (7)
14 They renounce thraldom in song (7)
17 Something to put forward for progress (4, 4)
18 Transport borrowed for the fair (4, 4)
19 Superficial appearances of teams when dismissed (8)
22 Toast for uncle (6)
23 The highest point of a river-horse (6)
24 Provided the order is in —— take a seat (6)
27 "Without the —— of some melodious tear" (Milton) (4)

Solution to Puzzle No. 1,641



TV/Radio

* Indicates programme in black and white.

BBC 1

12.25 p.m. Nai Zindagi-Naya Jeevan. 12.55 Disc a Dawn. *1.30 Watch with Mother. 1.45 News. 2.00 European Athletics Championships and International Show Jumping. *4.40 Jackanory. 4.55 Hope and Keen's Crazy House. 5.20 Chingachook and the Lone Hunter. 5.44 Abbott and Costello.
5.50 News.
6.00 Nationwide.
6.20 Athletics: European Championships.
7.10 Mission Impossible.
8.00 Paul Temple.
*8.50 The Fifties: relived.
9.00 Nine O'clock News.
9.20 An Hour With Eric Sykes.
10.20 24 Hours.
10.55 Anglers' Corner.

All Regions as BBC 1 except at the following times:

Wales—*6.00-6.20 p.m. Wales To-day. *6.20-6.40 Heddiw. 6.40-7.10 European Athletics (joins BBC 1).

Scotland—*6.00-6.20 p.m. Reporting Scotland. *11.12 Scottish News Headlines.

Northern Ireland—*6.00-6.20 p.m. Scene Around Six. *11.12 Northern Ireland News Headlines.

England—*6.00-6.20 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South West (from Plymouth). 11.12 Regional News Headlines.

BBC 2

11.00 a.m. Play School.
6.35 p.m. Open University: Arts 20.
7.30 News.
8.00 Bird's-Eye View.
8.50 One in Ten: singer and his songs, Country Joe MacDonald.
9.00 Stage 2 presents Freddie Jones, Anthony Hopkins, Ann Bell and Roland Culver in "Uncle Vanya," *by Anton Chekhov.*
11.05 News on 2.
11.10 Late Night Line-Up.

LONDON

1.45 p.m. Juggernaut. *2.10 Tales of Edgar Wallace. *3.10 Time to Remember. 3.35 Paulus. 3.50 Yoga for Health. *4.20 Matinee. 4.50 The Sooty Show. 5.15 Ace of Wands.
5.45 News and Sport.
6.00 Cooking Price-wise.
6.25 Laurel and Hardy.
6.30 Crossroads.
7.00 The Smith Family.
7.30 Coronation Street.
8.00 The Saint.
*9.00 Public Eye.
10.00 News at Ten.
10.35 Mountbatten.
11.35 Wrestling.
12.05 a.m. Sing True.

All ITV Regions as London except at the following times:

ANGLIA

*4.20 p.m. Anglia Newsroom. 4.25 The Romper Room. 4.50 About Anglia. 7.00 The Odd Couple. 8.00 Mannix. *10.35 It's Tarbuck! 11.05 Wrestling. 11.50 Reflection.

ATV MIDLANDS

3.30 p.m. Tomorrow's Horoscope. 3.40 Women Today. 4.05 Peyton Place. 4.35 Paulus. 4.50 ATV Today including Police Five. 7.00 From a Bird's Eye View. *10.35 It's Tarbuck! 11.05 Wrestling.

BORDER

2.10 p.m. Cricket: Yorkshire v India from Headingley. [illegible] Border News Headlines. [illegible] Yoga for Health. [illegible] Paulus. 6.00 Border News and Lookaround. 7.00 Jokers Wild. 8.00 Man in a Suitcase. 12.05 a.m. Border News Summary.

CHANNEL

[illegible]

GRAMPIAN

4.20 p.m. Grampian News Headlines. 4.23 Moment of Truth. 6.00 Grampian News. 6.10 Silver City Folk. 7.00 Jokers Wild. 8.00 The Baron. 12.05 a.m. Evening Prayers.

GRANADA

[illegible]

HTV

3.00 p.m. Cricket: Yorkshire v India from Headingley. [illegible]

SCOTTISH

[illegible]

SOUTHERN

[illegible]

TYNE TEES

[illegible]

ULSTER

[illegible]

WESTWARD

[illegible]

YORKSHIRE

[illegible]

RADIO 1 247m

[illegible]

RADIO 2 1,500m; VHF

[illegible]

RADIO 3 194m, 464m; VHF

[illegible]

RADIO 4 330m; VHF

[illegible]

Racing

Follow The Bugler

by DARE WIGAN

FOLLOWING steady rain in the district yesterday, the ground will be on the soft side at Salisbury this afternoon, but though *Bold Strings* may prefer a firmer surface, I think that this useful gelding will win the H.S. Lester Memorial Challenge Cup Handicap (3.30). *Bold Strings*, a versatile performer (he is efficient over any distance between 1¼ miles and 2 miles, and has no aversion to jumping hurdles in the winter) ran well when third to *Forty Winks* and *Quortina* in a valuable handicap at Brighton last week and *is* reasonably weighted here with 8 stone 7lbs.

Another gelding who ran well on his last appearance was *The Bugler*, who, at one stage, looked as though he would get the better of *Potent Councillor* and *Weatherbird at Goodwood. His* two previous appearances were here, at Salisbury, and though the second of them resulted in a six-lengths victory in a maiden plate, the one before, on June 30, was of greater significance. On that *occasion—and I watched* the race—he finished third to *Knockroe* and *Crazy Rhythm*, a length ahead of *King Midas*, to whom he was conceding 4 lbs, and there is nothing of the calibre of these horses in the Manton Stakes (4.0) this afternoon. *The Bugler* is a confident selection.

Finally, on a day when the best betting propositions appear to be in the last three races, I like the look of *Fearless* in the Hare Warren Handicap (4.30). I took a fancy to this well-named filly by *Derring-Do*, out of *Death Ray*, whom Arthur Budgett trains for his sister-in-law, Mrs. Alan Budgett, in the paddock before she contested a *maiden* plate at the Newmarket Craven meeting in April, and she ran a great race when finishing second in a field of 28 runners. Later, after winning a maiden race at Chepstow, she found the heavy *ground more* than she could manage in the Wokingham Stakes at Royal Ascot; but provided that conditions underfoot are tolerable, she will require a deal of beating to-day.

Earlier in the afternoon at Salisbury, *Renard Rouge*, who has run well on his last two outings, will go well in the Amport Maiden Plate (2.0); and *Solar Topic* is the possible winner of the New Forest Handicap (3.0).

With the form of the Spillers' Stewards Cup at *Goodwood* working out in exemplary fashion, *Don Quixote*, who finished sixth in the Goodwood sprint, will be a warm order for the Cavalier Stakes (3.15) at Haydock. I think that he will have the edge over *Fireside Chat*.

Whether or not Arthur Bud[] is successful with *Fearless* [] Salisbury, I expect him to [] the Royal Oak Plate (4.15) at [] Lancashire meeting. *Tem[ple]combe, a full-sister to the* [] class sprinter *Huntercombe*, [] run only twice: first, when placed behind *Rotisserie* in [] Fred Darling Stakes at New[] in April; and, next, [] running fast for a long [] behind *Ashleigh* and [] *Rocket* in the Jersey Stake[] Royal Ascot, where she [] bogged down in the mud [] five furlongs. Here, again, [] vided that conditions unde[] are reasonable, *Templec[] has an outstanding chance*, [] *Bridge*, who proved his abil[] stay 7 furlongs when defe[] *Tilario* at Catterick on Jul[] will go well in the Round[] Stakes (4.45), though I doub[] beating *Cider Honey*, a che[] colt by *Alcide, who won a m[]* race over 7 furlongs at the [] market July meeting, and was not disgraced when th[] *Pentland Firth* and *Great* [] just over three weeks later.

At Catterick, *Pabella*, now Bill Elsey's stable has sh[] off the effects of coughing, [] go well in the Towton S[] (5.0).

SALISBURY
2.00—Renard Rouge
3.00—Solar Topic
3.30—Bold Strings
4.00—The Bugler***
4.30—Fearless*

HAYDOCK
2.45—Composite
3.15—Don Quixote
4.15—Templecombe**
4.45—Cider Honey

CATTERICK
3.00—Test Pilot
4.30—Lissaleen
5.00—Pabella

هكذا من الأصل

Hampstead Theatre Club

Plays for Rubber Go Go Girls

by B. A. YOUNG

There are four of these short lays by Chris Wilkinson, plus a ind of coda in which a kind of ollage of elements from all of hem is wildly assembled. The ompany performing them is alled The Portable Theatre and he designer and director is Ialcolm Griffiths. They are only laying until the end of the eek, and they richly reward e journey to Swiss Cottage.

Each play deals succinctly ith some matter currently the ibject of attention in the mass iedia. Mr. Wilkinson's line is iat the highly-coloured treatient accorded, by Press, teleision and films, to these matters irns them from fact into gend while they are still appening, so that it's hard to t a solid black-and-white view them. The relationships etween the U.S. forces and the ietnamese, between the hippies d the fuzz, between the ierillas and the South American overnments, have acquired ch a fictional character that see them only in terms of mes Bond or Modesty Blaise (for the cognoscenti) Jerry rnelius.

So these plays are written and rformed as elaborately imated comic strips. There are ort, sharp scenes with alogue suggesting speech-balloons, and with taped sound and voice-over to represent the written connecting narrative. Not only are they very funny indeed, they have a refreshingly neutral attitude towards the unhappy obsessions of our time, like sex, cruelty, drugs, the generation gap and so on. This is how it is, they say; how do you like it?

The acting style also derives from the comic strip, with much use of conventional poses held briefly in tableau to express the emotion of the moment. In my experience, The Portable Theatre is of all the young avant-garde troupes easily the most adept at doing efficiently what it sets out to do, and these plays are presented with a briskness and a vivacity that gave me the greatest pleasure. They use a minimum of clobber; a couple of plain screens behind them, a scarlet circular mat to play on, a chair and a handful of simple props and there you are.

All the members of the company play several parts during the evening, and their teamwork is immaculate. The six young people involved are Patricia Hodge, Diana Patrick, Emma Williams, Mark Penfold, Paul Seed and Colin Stepney. If you miss them at Hampstead you may be able to catch up with them at the Edinburgh Festival.

Hollywood's Boney

by MICHAEL WALE

Rod Steiger is the sort of vie star who turns heads in f-recognition as he passes by. sort of man the chef sends borscht direct without ering. A star naggingly ried alike by his bank ance and weight.

Ever since 1954 with *On The terfront*, through *The Pawnker* and *Dr. Zhivago* in the -sixties, to *Waterloo* in the enties, Steiger has stood out ong his competitors as a man bothered. The casting may always have been right. His oleon was not one of his portrayals, but the man himremains undefeated. A man worries, a man overtaken at s by star status, who when meet him has rather a gentle e of humour, able to laugh himself even when the conation could become edgy: ! *Calcutta!* I never saw use it was directed by the who married my last wife." ce married, he is now unried, leaving his flat in New k because it's too large for a helor and concentrating his on the Californian coast at bu.

is in California that he has finished his 34th film. "So y I can't remember even the es of some of them." It is. says, part comedy. Kurt negut's *Happy Birthday da Jane*. In it he plays a hero who comes out of the le after eight years expecti reception those sort of men used to getting. But things changed. The world has ged. He is no longer a : "It's anti-war. It was a on Broadway and I've been to direct it over here in autumn at the Hampstead tre Club. There's comedy like when he gets mad one and cuts the cocktail table alf, although it's sad right too, because his son says: t's right, Dad, you're a ."

*

starring in the film with is Susannah York, and it is ted by Mark Robson. It hot in five weeks, one week r schedule and before a was completed the cast rsed for three weeks. er says: "If I ever get to t a film I'd want ten days two weeks rehearsal."

is turning more and more e idea of directing—"Not I want to give up acting." ys quickly, "but I don't to act all those grandfather Luckily I was always cast l of my age. When I was layed a 50-year-old man on lway. Look at a lot of the I've played over the years they were always older e."

talk with some film stars their previous work is to disaster. Many dismiss it o not wish to remember the because it reminds them too ly of their ageing present. r does not mind: "I'm of a lot of the work I've I liked a film I did called *Mark*, it didn't get around but I liked it. I liked a did in Italy once, and of *Waterfront*, because that e first. I was too busy that film worrying about was getting on to know about what was going on around me. I liked bits of *Dr. Zhivago*."

Currently he is working on a one-man show which he plans to make into a TV Special in America called *Einstein Tonight*. . . . "It's directed towards reminding people of the miracle of being human beings. "I'll have a desk there, and improvise on his given words to try to get some spontaneity. At the end I'd like to have a question and answer session." He hopes to record it in the auditorium at Princeton University, and as he talks about Einstein he enthuses: "He was the first hippie in the world, not to speak disrespectfully of him. The man wore no socks, had long hair, wore a sailor's watch cap. He only wore a suit if he went out. His big passion besides the violin was sailing boats. There is already some interest from an automobile manufacturer. We'd like to do the commercials one at the beginning and one at the end. I never had much of an education, and read books on lives of people, I can't honestly say I read them to get education, but I was interested."

*

The one man show he hopes will provide a regular way of earning money. "You begin to worry about the bills and people think if you do one movie you're a multi-millionaire."

"Those days have gone. That might be good for people who take acting seriously. This business of waiting for material, life passes by. I often get a sense of guilt and think I should go to a hospital and given one hour of my week."

And what does the "material" bring him when it arrives?: "When I first started out I was doing one villain after another. *The Pawnbroker* kind of broke that down a little, *The Heart of the Night* did it. Although he was a policeman, he was a nice guy. You know what? They just sent me *Dr. Jekyll and Mr. Hyde*! There's only one way you could do it to-day, and that's as a narcotic. There would be no physical change, it would be a change of personality. That would be the way to do it, but would they do it? . . . I don't think so. I'd also like Ingmar Bergmann to direct it with a modern city background. I think he would have the same reactions."

His mention of Bergmann reminds him of another Scandinavian director he admires, Bo Widerberg, and especially his film *Adalen 31*. If you haven't seen it, it is a brilliantly simply but poignant film about the crushing of a Scandinavian trade union uprising in 1931. He would prefer, he says, to make near-documentary films rather than the escapism the market often demands, hence his current preoccupation with Einstein.

And yet it is a sophisticated comedy I'd like him to make, especially after lunching with him at a Mayfair establishment with a leaning to the turf and all things sporting. Suddenly the well-bred heads were turning towards our table again, and this time it was because Steiger was giving an impromptu and accurate imitation of Dorian Williams the BBC's commentator on a recently televised horse show: "Well done Harvey, oh well done," he bellows. "You know what fascinates me about your commentators, they get involved. He was very cool when the Germans went round. I really got hooked on watching televised horse shows." And he chuckled contentedly.

New Ayckbourn comedy

A new comedy by Alan Ayckbourn *Me, Times Me, Times Me* will open a four-week season at the Phoenix Theatre, Leicester, on August 25 and then at the Lyceum Theatre, Edinburgh, on September 20, prior to opening in the West End in October.

The play will run concurrently with Alan Ayckbourn's successful comedy *How The Other Half Loves* starring Robert Morley which has just completed its first year at the Lyric Theatre.

Chitrasena and members of his Dance Company of Ceylon at Sadler's Wells Theatre

Television

Commercial innovation

by T. C. WORSLEY

ATV's workmanlike and praiseworthy *Hamlet*, shown late on Sunday night, is a very good card to play in Commercial Television's bid for a second channel. It demonstrates—if that needed demonstrating—that the companies are just as capable as the BBC of producing first class work in the heavier as well as the lighter fields. Just how this second channel should be financed and managed is something that needs thinking over. If it were at all practicable, I should like to see the plan launched whereby the ITA, the Authority, takes over and manages the channel and selects contributions from the companies—it would surely be useful to make this experiment now to see if it is workable after 1976 when the big reorganisation is to take place.

What I very much hope will not happen is that too much notice will be taken of the bid of the small stations for an undue proportion of the air-time available. The whole regional idea seems to me sentimental rather than practical. The small companies have neither the talent nor the resources to make more than a very marginal contribution to the whole. (Nor incidentally are their contributions markedly regional). By all means let that marginal contribution be encouraged. But the whole point of a second channel is really to get the under-used talent and the technical resources of the big companies into full operation.

And it is just exactly in the hope of doing this while at the same time ensuring that the companies don't use the new space merely to duplicate their lowest standards that one wants the ITA to take over. The channel would not be used exclusively for minority cultural interests any more than BBC2, but, of course, among the things the ITA would welcome would be programmes like ATV's *Hamlet*.

As it is, this pretty obvious prestige-catcher seems like a daring innovation coming from Commercial TV. It would not have been possible, of course, had it not been for ATV's American connections, and these American connections no doubt dictated the casting—British theatre stars for the supporting roles and an American TV star for Hamlet. They will also have dictated the length of the version used, for if 115 minutes is short for *Hamlet* it is long for American—or indeed any other—TV. And the length, in turn, dictated the kind of *Hamlet* we were given.

To reduce the four hours or so of the full *Hamlet* to a mere 115 minutes means savage cutting, and John Barton who undertook the butcher's role has done it with about as much tact as could be hoped for. The *Hamlet* that results is a straightforward Revenge Tragedy, moving swiftly along, plot point by plot point. It retains the heart of the story, and wastes no time on anything outside, and if it has to leave even the mechanics of Hamlet's final return from England slightly up in the air, this cannot be said to matter very much. All but one of the big soliloquies ("How all occasions do inform against me") are retained almost whole, and only a pedant would fail to applaud a good job done as well as circumstances allowed.

Peter Wood's direction follows the same simple straightforward plan. He has set the play in a kind of Regency-land and for my part I thought this a good and acceptable choice. It points up what doublet-and-hose tends to gloss over, the formalities and distinctions of Court life which is a prime element in the play as a story. The social gradations from monarch to servant are abundantly clear. And it gives, as all productions in and around this period have shown, a greater intensity to the plot.

Within this framework elaborate care has been taken to make the mise-en-scène both correct and attractive. The detail is extremely good. But apart from this Mr. Wood handles the text without gimmickry or affectation. The action unfolds convincingly, the big speeches are treated simply as arias delivered clearly and audibly in close-up or half shot. One can cavil at a few minor details—not very sensible, for instance, for Hamlet to yell out his intentions over the play at top voice in the castle courtyard, for every palace spy to hear: or if he was dressing up quite so mad for his first "mad" scene with Polonius, why did he drop the disguise abruptly in the next scene? The big scenes, the play scenes and Ophelia's funeral, failed simply because the small screen cannot accommodate a large area of action. But these are minor blemishes, and there were few of them. For the most part fidelity to the truncated text was the admirable watchword.

As it happened, too, this plot-bound approach exactly suited the talent of the Hamlet, Richard Chamberlain. Mr. Chamberlain's gifts are a virile appearance and a clear speaking voice, in which it was a pleasure for us, at least, to have no trace of an American accent. A less direct and simple version might easily have shown up the deficiencies. He is not a subtle actor; his voice is lacking in the variety which even this version could have brought out, if it were there. He does not sufficiently relish the language: both humour and pathos lie outside his range. He hasn't, in short, got that something extra which makes a Hamlet memorable.

The casting of the rest of the play was exemplary down to the last walker-on. To disprove the arid puritanism which believes that "stars" ruin an ensemble, the four stars here fitted in to perfection. John Gielgud's was the best ghost I've ever seen, his splendidly unearthily appearance matched by a delivery which managed to combine the dreadful with the musical. Margaret Leighton's Queen well deserved the American Emmy which it won, dignified but feminine, regal but weak and the language given its full value. Richard Johnson's King was exactly the renaissance villain the production called for.

Michael Redgrave was an unusual choice for Polonius, but I liked his more robust version of the King's First Minister, instead of the conventional senile fusspot that no King could put much faith in. It loses some of the easier laughs, but compensates with a pompous dignity of its own. But these admirable performances in no way tipped the scales: the rest of the long cast were very well chosen and entirely justified their selection.

If this *Hamlet*, then, didn't spark, or reach the heights, it was, simply as a production, top-class, and its 115 minutes went by most pleasurably and absorbingly: it seemed even shorter. The only disappointment was that ATV hadn't the courage of its convictions to put it on at peak time. The BBC has risked the ratings with a two-hour production once a month with its Play of the Month in the winter: couldn't ITV chance one night in the year?

Meanwhile for the summer, Play of the Month has moved to BBC2 where it calls itself Stage Two; and each week produces a no less star-studded cast in a no less well known stage play. Michael Elliot in *She Stoops to Conquer*, with Ralph Richardson, Thora Hird and Tom Courtenay, made a brave attempt to take the comedy right out of the stage confines and rethink it for television, and it is rather unfair that the old vehicle couldn't stand up to the treatment. Some of the interposed farcical business like Mr. Hardcastle's hair-raising drive through the surrounding English countryside provided a good deal of rough merriment. But the actual mechanics of the comedy itself fell curiously flat without the support of the proscenium arch and the audience reaction. It all seemed very bitty and piecey, and to take a long time to get through.

Martin Shaw as Horatio and Richard Chamberlain as Hamlet in last Sunday's ATV production

Elizabeth Hall

Bach by DOMINIC GILL

The festive fortnight of South Bank Summer Song which began last week continued on Monday evening with a programme of Bach, directed from the harpsichord by George Malcolm. The major part of the programme was devoted to Song in cantata dress: and the star of that part was Heather Harper. She was in full and radiant voice: not perhaps tonally always at her supplest and most even-grained, but none the less warm and richly expressive. Taking no time off to settle, she plunged directly into the minor shades of Bach's Weimar cantata no. 199, *Mein Herze schwimmt in Blut*: marvellous music, in which the writer of our programme-note discovers "the grovelling wretchedness of a sin-encrusted soul," but in which I can find only the darkest, tenderest melancholy.

Miss Harper's first aria, accompanied by obbligato oboe and continuo, set the seal on the evening: simple, passionate and clear, strongly enunciated, carefully phrased. It was specially good to hear the cantata played to authentic scale chamber music done in chamber style, accompanied only by keyboard, oboe and five strings (these last all recruited from the Academy of St. Martin-in-the-Fields): there was as a result no muddying of counterpoint or sweetening of texture. The lovely secular cantata no. 202, *Weichet nur, betrübte Schatten*, gained still more from so compact and intimate a presentation. The strange first aria—strange in its ambiguity, half anxious, half jubilant—took on newer, subtler colours, voice and oboe gently intertwined, gently subsiding; and the sensuous, angular dance of "Phöbus eilt" was lit, so sparsely scored, with a kind of rustic early-morning light. Miss Harper finished the evening with an aptly-programmed encore: Pales's song "Schafe können sicher weiden," warm reassurance, dreamily cooled by oboe and flute, from *Was mir behagt*.

Radio 3

Musgrave's horn concerto

by DIANA McVEAGH

Coming south to give the first of their Proms, the Scottish National Orchestra and Alexander Gibson brought with them on Monday Thea Musgrave's horn concerto, one of the new works from their Musica Nova this spring. Between strong, lean performances of Beethoven 2 and Chaikovsky 6 Alexander Gibson left the platform to the composer and Barry Tuckwell.

It is strange, fascinating music, rather elusive. Crudely, one might call it all introduction and no concerto, for there came a point about a third of the way through where one understood that the feelings of anticipation, so skilfully aroused, were not going to lead on to something new and formally more coherent. So there was a second or two of disappointment. But this in time gave way to the recognition that the contrasts in the music were those of degree not of kind, that we had some way back passed the half-way mark and that the end was in sight—and punctually it came, an octave sounding sharp and clear and extraordinarily final. So the structure is much more subtle than at first it seems.

The concerto begins with a shimmer which turns into silvery swirling sounds. The horn enters cautiously, then more bravely begins to rouse, stir up and agitate the orchestra and particularly the brass group (two trumpets, one trombone, and in this performance seven other horns) who echo him and talk back to him. There are new backgrounds, brilliant splutterings from the soloist, a prominent dropping glissando semitone, at first aggressive, then sad. For the first time, it seems, strings play a simple legato; then orchestral horns close in round the soloist.

Without seeing either the performance or a score, no doubt something was lost. Certainly players moved around between the speakers. In the programme note Miss Musgrave describes her concerto "dramatic in presentation" and emphasises the parodies in it, the imitation of electronic and tape procedures. But the effect here was far more poetic than mocking, as the brass instruments chimed and meshed one with the others. It seemed like nature music—not just drowsy first cuckoos, but perhaps a *Tapiola* of the 1970s. At any rate, it is music one very much wants to hear again.

King's Head

Double bill

The new lunch-time show at the King's Head, Upper Street, is a double bill contributed by John McGrath and Charles Wood.

Mr. McGrath's bit, *Plugged into History*, concerns an encounter between a girl who believes herself capable of feeling all the pain in the universe and a man who inflicts pain without understanding the nature of it. Kay, the girl, sits on a park bench and, as if reading from some celestial newspaper, recites news-flashes of the most horrifying brand. Derek, the boy, a much simpler character, is simply furious with his girl-friend because she wants him to work instead of dreaming on canal banks, and his fury takes the elementary form of fracturing her elbow and yelling outside her house.

They meet briefly in the park, and try and fail to understand one another. Mr. McGrath's writing is sensitive, though his jokes are not very funny, and the two people are sensitively played by Lisa Daniely and Gavin Richards.

Gavin Richards appears also in Charles Wood's play *Colliers Wood*, as a young father talking to his son (an enchanting little boy called Tony McMorrow). The son spends almost all his time lying on the bed that for some reason fills most of the kitchen, drawing pictures with coloured pencils. The pictures represent conventional childish concerns—a knight on horseback, a cat, a house, and so on; and the father elaborates them by the addition of features from which he can make them into foundations for an allegory of his own life.

From his adumbrations domestic tensions of various kinds emerge—tension between husband and wife, distress at the squalor of their existence. But Mr. Wood, not for the first time, has pursued his allegories beyond the range where I, at any rate, am able wholly to follow them. I wish I could, for the play seems to me moving and salutary. What I miss is the ability to supply reliable captions under the pictures.

Both plays are directed by Paul Hellyer.

B. A. YOUNG

Farming and Raw Materials

Wool mills to close in Japan

OSAKA, August 10.

JAPAN'S second biggest wool textile manufacturer, Toyobo Company, has announced it will close down two of its seven woollen mills by the end of this year, reports Reuter.

The company announced a rationalisation programme in its wool spinning and weaving division to cope with a slump in wool business and a labour shortage here.

As a result, Toyobo's wool weaving capacity will be reduced about 15 per cent. from the present 380,000 to 400,000 square metres a month.

N.Z. auction prices down 5%

MEANWHILE, in New Zealand, wool prices fell by 5 per cent. at the Auckland auctions owing to the absence of U.S. buying, the sale's usual mainstay.

The U.S. absence as a buyer was attributed to the West Coast dock strike and the one threatened on the East Coast for October 1. These have had dual effect of causing uncertainty about whether purchases could be transported, and also caused large strike stockpiling shipments of wool to the U.S. from the early June woolsales.

Competition for the 11,846 bales offered, about 1,000 up on last year, was slow to non-existent, states a report on the Auckland sale.

STRIKE HITS U.S. WHEAT SALES

TOKYO, August 10.

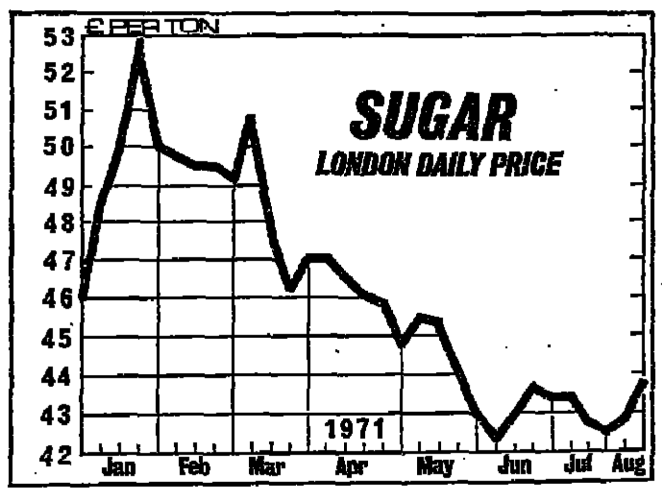
JAPAN had been switching part of her American wheat imports to Australia and Canada because of the U.S. west coast dock strike, a Japanese Food Agency spokesman said.

He agreed it was doubtful any part of Japan's wheat business with the U.S. lost during the strike would be regained when the strike was settled.

Japan had built up a stockpile of wheat in anticipation of the strike, but had been making emergency imports. These included 60,000 tons of Australian wheat, 40,000 tons of Canadian wheat, and 20,000 tons of American wheat
Reuter

Uptrend in sugar may be halted

BY GODFREY BROWN



AN INCREASE in the London daily price of sugar took place yesterday for the second day in succession. It now stands at £43.80 a ton, 30p up on the day to make a 50p rise so far this week, following a £1 increase last week.

But the move to higher levels could be short-lived, since there is no scarcity of prompt supplies of raw sugar, which is what the LDP is meant to reflect, and in fact the terminal market closed barely steady last night with values below Monday's levels.

The easier trend in futures was said by London market sources last night to reflect the situation in New York, where a slight improvement in the dollar meant Americans were less keen to move into commodities or more willing to sell, and this in turn triggered off stop-loss selling of sugar.

The earlier increase in the LDP was also basically a bringing into line with the New York market, where prices had been boosted by expectations among the statisticians that 1972 could see a tight supply situation develop. Commission-house buying of sugar for next year's delivery largely caused values to advance, and this enabled those with technical market know-how to exploit the new differentials that opened up, with the result that the nearby positions also advanced.

But before the increase in the LDP of the past 10 days, when the price was at a 1971 low of £42.30 a ton, it was still possible to buy raw sugar for prompt delivery at £1-2 below LDP. In some quarters this is taken as an indication that 1971 sugar could be over-priced and that a reaction is likely.

Hardship fund

Yesterday's announcement by the International Sugar Organisation of immediate allocation of 75,000 tons from its special hardship fund had little if any influence on the market. Of the total, the bulk (60,000 tons) goes to the Dominican Republic, with 10,000 tons to Fiji and 5,000 tons to British Honduras.

However, the size of the Dominican Republic's new extra export availability is much less than appears at first sight. For in March, the International Sugar Council decided that the temporary relief of increased export quotas granted to the Dominican Republic (60,000 tons) was to be reduced progressively by any additional entitlement it might receive under any provision of the Agreement. The hardship allocation now made transforms the balance of the temporary relief (57,459 tons) into a firm export entitlement and increases the country's quota in effect by a further 2,541 tons.

Yesterday's hardship allocation is the second this year, bringing the total to 102,000 tons out of the 150,000 tons a year available.

Meanwhile there are indications that the West European sugar beet crop this year will be good. Reuter reported from Bonn yesterday that prospects for the West German sugar harvest are currently very good, but it is too early to put even an approximate figure on the harvest or final sugar output

Mexico plan for sulphur sales curb

By Our Commodities Staff

MEXICO is to follow the lead set by the Alberta Government recently in controlling exports of sulphur in an attempt to stabilise prices on the world markets.

A statement issued yesterday says that the Mexican Government has requested the Frasch sulphur producers in Mexico only to produce and sell the amounts that may be indicated to them. These amounts will be fixed from time to time with the aim of maintaining reasonable stockpiles to ensure delivery to customers, but also avoiding undue pressure on world sulphur prices.

It has also been recommended to the Mexican producers that, whenever possible, they publish their sales prices to promote the stability of world markets.

The Mexican Government is said to share the concern of other sulphur producing countries about the "chaotic and negative" situation existing in the international sulphur market during the past few years.

The statement added that the move by Alberta, the world's largest exporter of sulphur, to curb exports has been considered and Mexico was in agreement with the policy of relating output and sales volume to real market demand.

New moves to end U.S. copper strike

By Our Commodities Staff

TALKS seeking a settlement of the strike by U.S. copper workers at the Montana operations of Anaconda are planned for to-day with hopes of ending the six-week-old dispute.

It is reported that the union coalition committee has urged acceptance of the terms that have been approved by the United Steelworkers union, but the metal craft operating engineers and teamsters unions have not yet ratified the proposed contract.

Nothing further has been heard about moves by the other big producer, American Smelting and Refining, to end the strike, but Copper Range reported that satisfactory progress was being made with the unions on local issues at the White Pine mine.

BIG EEC WHEAT CROP FORECAST

LUXEMBOURG, August 10.

THIS YEAR'S wheat crop in the European Common Market will rise to about 32 to 32.5m. tons, compared with 29.6m. tons last year, and a 1966-70 average of 30.3m. tons, according to the first detailed estimates issued by the EEC statistical office here.

This increase largely accounts for the overall rise in the cereal harvest, which the office estimates at 70 to 70.5m. tons against 67m. tons last year.

CHILE COPPER

Big mines run into serious problems

BY A CORRESPONDENT

SERIOUS problems have developed in four out of five of Chile's largest copper mines, which normally account for some 80 per cent. of the country's total copper production.

Earlier this year the Chilean Government's copper corporation (Codelco) predicted an output of 840,000 metric tons for 1971, but in May it had to reduce the projection to 625,000 tons—15,000 tons below the 1970 output. And now the outlook is even gloomier.

A Soviet mission recently inspected all the copper mines in Chile and prepared a report on their condition and what should be done to insure continuity of production.

Basically the Russians' recommendations were twofold: more drilling to increase reserves; and the installation of new metallurgical processes which would allow the extraction of other minerals from copper ore, especially silver, gold and molybdenum.

Water supply

What is perhaps the most important section of the Soviet mission's report has not been made public. It is the section which states that the worst problems of the Chilean copper mines are not technological, but managerial. No amount of outside help will solve this. Nearly all of the hundreds of mine management personnel who left the mines after the election of President Allende, and nationalisation of the mines are Chilean citizens. The Russians conclusion is that this is a problem which only the Chileans can sort out.

The mine hardest hit by loss of management is El Teniente (formerly owned by Kennecott). More than 170 experts—when supervisors and technicians are added in—have left since last year's general elections.

Moreover, a water supply problem has developed at El Teniente, and this has affected the operation of the ore concentrator. The Government's prediction was that, although total production at the mine would not reach the hoped for target of 280,000 tons this year, the level of production would rise that high before the end of 1971. It is now estimated that El Teniente's total production for the year will not surpass 160,000 tons, which is less than it was last year.

All of what were Anaconda's three big mines are in difficulties. La Exotica has smelter problems, and President Allende himself has said that the mine will have to close down. La Exotica's annual production has been running at about 100,000 tons.

Chuquicamata, the largest open pit mine in the world, has developed an overburden which impedes mining of the ore and will cost an estimated $30m. to correct.

A strike, costing around $2.5m. a week, has kept the third ex-Anaconda mine—El Salvador—closed down since August 1. The 4,500 personnel at the mine which also has a normal annual production of about 100,000 tons and at the near-by Potrerillos refinery as well as at the port of Barquitos, are demanding pay increases which total 41.26 per cent. when fringe benefits are taken into consideration. The Government maintains that such an increase would bankrupt El Salvador so negotiations have broken down.

This labour dilemma at El Salvador, incidentally, contradicts those private investors, including some foreign ones, who are saying that it is good business to take a minority position in a company controlled by the Chilean Government since such a company is virtually strike-proof.

Strike threat

SANTIAGO, August 10.

Technicians at Chuquicamata, Chile's biggest copper mine, are threatening to strike from to-morrow over what they term "political appointments" by the Government, reports reaching here from the mine to-day said.

The reports said 230 of the mine's 500 process workers—enough to paralyse production—voted in favour of strike action last night.

A meeting between President Allende and union leaders representing some 4,500 workers at the El Salvador mine, who have been on strike since July 31, broke up after only 13 minutes last night, with no statement issued.
Reuter

Breakdown

Nowhere outside the copper mines—which are within the governing Unidad Popular "social property area" concept and as such are totally in the hands of the Government—is the current breakdown in management authority over labour more in evidence in Chile to-day.

This breakdown is a threat even at the only formerly U.S.-owned large mine, not hamstrung by an exodus of management, the Cerro Corporation's Andina mine.

Copper traditionally has supplied between 75 per cent. and [illegible] per cent. of Chile's export income, and President Allende long before he won the election promised that copper one day would become nothing less than "El Suelo de Chile"—Chile's paycheck. But that day seems to be far off following nationalisation and the fall in world copper prices.

Inasmuch as the production costs in all the Chilean copper mines have started to climb substantially, while production is not increasing, these mines could soon become for Chile what the tin mines have become for Bolivia: not a paycheck but a burden.

India jute exports boost urged

BY OUR OWN CORRESPONDENT

CALCUTTA, August 10.

INDIAN jute goods exports, at about 540,000 metric tons during the year ended last March, were the lowest for several decades, the decline being caused by adverse factors such as labour trouble in the mills and at Calcutta port. Mr. L. N. Mishra, Indian Minister for Foreign Trade, pointed this out while exhorting Indian jute mills and exporters to take full advantage of the current favourable situation in the world jute goods market.

The Minister was addressing the annual meeting of the Calcutta Jute Fabrics Shippers' Association, representing the main Indian gunny exporters.

According to the Association estimates, world supplies of jute goods during 1971 will fall by 250,000 tons due to the Pakistani civil war, as the industry in that country is unlikely to provide more than 50 per cent. of its normal supply of 0.5m. tons. In line with this estimate, an annual extra production target of 240,000 tons has been set for Indian mills. In other words, mills are required to produce an extra 20,000 tons a month over their normal monthly output of 90,000 tons to bridge the estimated supply gap. But due to a power crisis, and credit difficulties, mills have not been able to reach even 100,000 tons in any month since January,

India is unhappy that the European Common Market has not relaxed its export quota restrictions on Indian jute goods, particularly carpet backing cloth, while it feels more favourable treatment has been shown to Pakistan. The Indian Government will take up the matter with the Common Market countries soon and Mr. Mishra will be visiting Common Market countries towards the end of the month to urge reconsideration of the quota. He will particularly request the EEC to implement the general scheme of preferences for Indian jute goods as has already been done in the case of other manufactures and semi-manufactures since July 1 this year.

Meanwhile a call for the gradual abolition of the existing EEC tariffs on imports of jute goods has been made to the directorate-general for the external trade of the EEC Commission by Mr. P. van Cleeff, the Dutch president of the European Association for the Trade in Jute Products.

FARM MERCHANTS PLEA ON U.K. ENTRY TO EEC

Britain's agricultural merchants have appealed to the Government to declare its intentions for the operation of a Cereals Intervention Authority should the U.K. enter the Common Market.

In a Common Market policy statement yesterday the British Association of Agricultural Merchants, who are responsible for marketing the home-grown grain crop, claimed they had a great deal to contribute to Ministry thinking

But as an indication of the short time available for planning, the statement points out that a proportion of the grain grown from seed drilled this coming autumn will be sold after the U.K.'s proposed entry

Philippines capturing Japan banana sale[illegible]

BY OUR OWN CORRESPONDENT

MANILA, August 10.

THE PHILIPPINES is beginning to slice into the banana market of Japan that has been traditionally supplied by Ecuador, Costa Rica and Taiwan. Typhoons, freight costs and geography are the factors behind the growing Philippine share in this market.

Manila's bureau of plant industry reveals that standard Fruit Corporation and four other Philippine-based companies shipped 64,800 tons of bananas to Japan from January to May of this year. The shipment in the five months was worth £1.3m. and surpassed all Philippine banana exports for the whole of 1970.

Last year, Japan imported 840,000 tons of bananas, Ecuador supplied 460,000 tons, Taiwan 220,000 tons, Costa Rica 106,000 tons, and the Philippines 54,000 tons.

The rapid rise in Philippine banana exports is due partly to increased acreage. A total of 18,015 are now planted to this fruit. As of April, 1971, there were five banana-growing companies in Mindanao. The biggest southern island of the Philippine archipelago. These were Standard Fruit, Marsman, Twin Rivers, United Fruit and Philippine Packing Corporation.

Japanese banana imports from Nationalist China are expected to slump further. Taiwan is giving more attention to industrial expansion. Moreover, banana plantations were hit by typhoons recently. Similarly Latin American imports are being hit by higher freight charges with the Philippines exploiting the advantage of being nearer

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Up on balance on the London Metal Exchange. After opening at £465 forward metal turned easier owing to hedge selling and a lack of physical demand. At £462, however, renewed buying was prompted by reports of a threatened strike at Chuquicamata in Chile which pushed the price back up to £465½ on the late Curb. Modest influential buying was reported in the afternoon. Turnover 6,925 metric tons.

Henry Gardner and Co. reported that in the morning, wirebars cash traded at £452.5, 53, 52, mid-Aug., £453, mid-Oct. £462, three months £463 to 63. Cathodes: [illegible] months £451.5. Kerb: Wirebars: cash £452, late-Aug. £454.5, three months £463.5, 62, 62.5. Cathodes: three months £451. Afternoon: Wirebars: cash £452.5, 53, late-Aug. £454, 55, three months £463, 63, 64.5, 64, 63.5, 64, 64.5. Kerb: cash £453, 54, three months £464 to 66.5. Cathodes: cash £443, three months £453.5.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or †—
	£	£	£	£
Wirebars				
Cash	452-.5	+1	453.5-4.5	+.25
3 months	462.5-3	+1.25	464.5-5	+.5
Settlem't	452.5	+1	—	......
Cathodes				
Cash	440.5-1	—.25	443-.5	—.25
3 months	450-1	—.75	453.5-4	+.25
Settlem't	441	—.5	—	......
U.S.Smlr	—	......	*52.75-53	......

TIN—Little changed, prices being underpinned by the steadiness in Penang and the feeling that the Buffer Stock manager might buy cash metal following any further setback. Turnover 675 tons.

Morning: cash £1,427, 26, three months £1,445, 46. Afternoon: cash £1,427, 26, three months £1,446. Kerb: mid-Oct. £1,441.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or †—
	£	£	£	£
Cash	1426-7	+.5	1425-7	—.5
3 months	1445-6	+1	1444-6	+.5
S'ment	1427	......	—	......
Straits E.	1453.75	+.29	—	......
New York	[illegible]		*164.88	

LEAD—[illegible]

ZINC—[illegible]

* Cents per lb. † On previous unofficial close.

SILVER

[illegible]

COCONUT OIL

[illegible]

COCOA

[illegible]

FREIGHTS

DRY CARGO—[illegible]

OIL TANKERS—[illegible]

also were said to be interested in 50,000 to 80,000-tonners for timecharter for an intermediate period of one to three years.

COFFEE

Terminal trading remained negligible under the influence of the forthcoming ICO meeting in London. The market [illegible]

COTTON

[illegible]

RUBBER

[illegible]

SOYABEAN OIL

[illegible]

GRAINS

THE BALTIC—[illegible]

LONDON HOME GROWN FUTURES—Wheat, steady. Close: Sept. 24.100, Nov. 25.050, Jan. 25.975, March 26.825, May 27.300. Business: Sept. 24.000, Nov. 25.000-24.950, March 26.825-26.800. Barley, steady. Close: Sept. 22.650, Nov. 23.800, Jan. 24.650, March 25.450, May 26.250. Business: Sept. 22.800, Nov. 23.600.

HGCA—Location average ex-farm spot [illegible]

SUGAR

LONDON DAILY PRICE—[illegible]

SUNFLOWER OIL

[illegible]

WOOL FUTURES

[illegible]

JUTE

[illegible]

MEAT/VEGETABLES

SMITHFIELD—Beef: Scottish killed sides 18.0p to 20.6p, Ulster hindquarters 22.9p to 23.9p, forequarters 12.9p to 13.3p, Eire hindquarters 22.5p to 23.3p, forequarters 12.9p to 13.3p, Argentine chilled boneless cuts: strip loins 40.5p to 42.5p, [illegible]

[illegible]

PLATINUM FREE MARKET NARROWS

THE London free market platinum price range has narrowed to £47-£50 per troy ounce from £48.50-£50 previously, reports Reuter.

This reflects the firmer trend in New York Mercantile Exchange futures and currency considerations, dealers said.

PRICE CHANGES

Prices per ton unless otherwise stated.

	Aug. 10 1971	+ or —	Month ago
Metals			
Aluminium (a) (u)	£257.20	......	£257.2
[illegible]			

INDICES

FINANCIAL TIMES

[illegible]

REUTER'S

[illegible]

DOW JONES

[illegible]

MOODY'S

[illegible]

U.S. Markets

NEW YORK, August [illegible]

COMMISSION-HOUSE selling kept [illegible] on the defensive reflecting the lower [illegible] for gold. Copper opened lower but [illegible] of continuing labour troubles at the [illegible] ing Chilean mines pared the losses. [illegible]

American News

U.S. allows record truck deal with Soviet Union

BY GUY DE JONQUIERES

WASHINGTON, August 10.

THE NIXON Administration has paved the way for what is believed to be the largest industrial commercial transaction between the U.S. and the Soviet Union since the war by permitting American companies to participate in the development of a major Soviet truck-building plant. The Commerce Department disclosed yesterday that it has approved two licences for the export of foundry equipment for the manufacture of automotive castings for use at the planned truck complex on the Kama river, about 600 miles east of Moscow. A third licence provides for the supply of technical information and advice.

The two equipment licences are valued at $125m. and $37m., and the value of the technical information licence has not been revealed. The importance of the deal may be judged by comparison with the total value of U.S. exports to the Soviet Union last year, which amounted to $120m.

Security

The announcement is the most significant embodiment to date of the Nixon Administration's recent decision to progressively liberalise trade with the Soviet Union and Eastern Europe. It also suggests that approval for other, and larger, deals may soon be forthcoming. The extent of the Administration's change of attitude towards Soviet trade can be measured by the fact that as recently as last spring the Pentagon vetoed for national security reasons a preliminary agreement between the Ford Motor Company and the Soviet Government for the supply of trucking equipment for the Kama River plant.

Considerations of national security also weighed heavily in the decisions. However, the Administration was reported to have been swayed by the poor state of the U.S. trade balance and by hints by the Russians that if approval were not forthcoming they could easily obtain comparable equipment elsewhere. It is understood that the licences stipulate that the trucks produced at the Kama river plant will not be used for military purposes.

The names of the companies involved have not been announced. But it is understood that the technical information licence was granted to Swindell-Dressler, a Pittsburgh-based engineering company and subsidiary of Pullman Inc.

The approval of licences for export is of course only the first step towards the conclusion of a contract and, it is understood that the interested American companies still have to negotiate the precise terms of their agreements with the Soviet Union.

The announcement has raised speculation that the Nixon Administration is prepared to approve licences for an even larger transaction, under which Mack Trucks Inc. would design and supply $750m. worth of tooling equipment for the manufacture of engines and gearboxes for the Kama river plant. Mack Trucks, which is a subsidiary of the Signal Companies of California, requested a licence some time ago. It has signed a "letter of intent" with the Soviet authorities, which has been extended twice because of delays by the Administration. The third extension is due to expire on, September 15.

Two more NYSE firms may go public

By Jurek Martin

NEW YORK, August 10.

PAINE Webber Jackson and Curtis, a major New York brokerage house, has added its name to the growing number of firms to go public. In addition, Reynolds and Co., another sizeable house, has said that it planned to incorporate on September 1 and was actively considering a public stock offer some time later.

These twin announcements bring to about a dozen the number of NYSE member firms who have gone or said they will go public. The first to make such a move was the institutionally-oriented firm of Donaldson Lufkin and Jenrette, which did so last year, and the most famous was the largest firm of all, Merrill Lynch Pierce Fenner and Smith, which went public in June.

No details of the Paine Webber offering have been released, but speculation is that it might sell more than 1m. of its shares at about $20 each. The firm would probably use much of the money to augment its capital position, currently standing at some $45m. Private stockholders currently own about 4m. Paine Webber shares.

Paine Webber has not chosen, as have other houses, to release its profit figures over the years, but it is known to have weathered the storm that visited itself on many brokerage houses better than most. It has more than 70 branches in this country and overseas.

Reynolds, whose capital is currently about $35m., has also survived relatively well. Its managing partner said that the first seven months of this year were its most profitable ever.

SEC chairman puts plans for revitalising markets

BY GUY DE JONQUIERES

WASHINGTON, August 10.

U.S. AUTHORITIES are giving serious consideration to a proposal to stimulate greater foreign participation in American equity markets by establishing foreign portfolio sales corporations which would sell shares in U.S.-registered funds.

This was disclosed by Mr. William J. Casey, the chairman of the Securities and Exchange Commission in an interview with U.S. News and World Report. Mr. Casey took up his post earlier this year and this is one of several proposals which he favours for revitalising the U.S. equity markets.

It is not entirely clear how such a foreign portfolio sales corporation would work in practice and the detailed proposal is still under discussion by a joint task force composed of members of the SEC, the Treasury and the Federal Reserve System.

Mr. Casey apparently envisages that such a corporation would be used to sell shares of U.S.-registered funds to foreign investors, while offering tax advantages similar to the offshore funds. At present, foreign residents investing directly in Wall Street are obliged to pay tax on their investments to their national Governments.

The planned corporations would be based in the U.S. and would be registered with the SEC, thus subjecting them to a greater degree of official regulation and inspection than the offshore funds. Mr. Casey does not specify whether they would be agencies of the federal Government or established by private interests.

Current thinking appears to visualise the corporations as vehicles only for the sale of U.S. mutual fund shares, but presumably their scope could be broadened to take in direct investment in common stocks as well.

If the details of the proposal are still rather vague, the reason underlying it is clear. Apart from the fact that Wall Street is going through a somewhat slack period at present, Mr. Casey forecasts that U.S. money managers will be sending far more money abroad as opportunities for investing in European and Japanese companies open up. He suggests that the search for foreign bargains could increase by 50 per cent. the number of issues in which Americans might invest. Foreign sales corporations could encourage an offsetting flow into U.S. markets.

Shake-up predicted for Lockheed

By Our Own Correspondent

SAN FRANCISCO, August 10.

"SIGNIFICANT changes" in the management line up at Lockheed Aircraft Corporation were predicted over the week-end by U.S. Senator Alan Cranston of California in the wake of Congressional approval guaranteeing a loan to save the company from bankruptcy.

He is certain the changes are forthcoming and he stressed they would be "significant," though he would not identify any of Lockheed's present executives while answering questions at a Los Angeles International Airport news conference.

Senator Cranston fought for approval of the Bill to provide federal backing of $250m. in loans for Lockheed. But he initially had demanded changes in the company's top management as a condition of Congressional approval.

Lindsay said to be on the verge of joining Democratic Party

BY JUREK MARTIN

NEW YORK, August 10.

THE RUMOURS are now running thicker and faster than ever that Mr. John Lindsay, the Republican Mayor of New York City, is about to switch parties and become a Democrat. However, it is felt that when he does make his official decision, he will stop short of declaring himself a candidate for the Democratic Party's Presidential nomination.

Many of Mr. Lindsay's advisers, particularly those in City Hall like his Deputy Mayor and erstwhile campaign manager, Mr. Richard Aurelio, have for months made no secret of their efforts to persuade him to switch and run for the Presidency. Even his wife, Mary, a life-long Republican, recently ended her ties with the State GOP.

Enigmatic

But perhaps the most telling evidence (from anybody except the Mayor himself) has now come from the man who has moved heaven and main to persuade Mr. Lindsay to stay in the Republican Party. Senator Jacob Javits of New York, who believes that Mr. Lindsay's defection could irreparably damage the liberal wing of the Republican Party of which the Senator himself is a notable member, was quoted to-day as saying that the switch was "no longer a question of 'if' but 'when.'" "I think he's going to announce this week," Mr. Javits said. "I was always a principal supporter and always thought his greatest value lay with the progressive forces within the Republican Party," he added regretfully.

Mr. Lindsay, who is at the moment finishing a short vacation, has remained as enigmatic as ever on his future. He has always been a Republican in name. He was a Republican congressman from New York and was first elected Mayor of this city in 1965 as a Republican. In 1969 he failed to win his party's nomination in the mayoral primary but was subsequently elected on a Liberal-independent ticket over both Democratic and Republican opposition. The Mayor has always likened his victory in 1969, thin though it was, to the triumph of "fusion" politics.

There have, of course, been any number of signs that since then party affiliations have not been a prime factor in his public life. Last year, he endorsed former Supreme Court Justice and United Nations Ambassador Arthur Goldberg, a Democrat, in his attempt to unseat the Republican State Governor Nelson Rockefeller. This act thoroughly alienated him from the state Republican Party—and his acrimonious relations with the Governor have affectively prevented any reconciliation—to the extent that only the other day a local Republican leader went to court to try its force Mr. Lindsay to revoke his party enrolment on the grounds that he was palpably out of sympathy with the party's aims.

However there are now certain technical pressures on Mr. Lindsay to switch parties if he wishes to be a factor in next year's Presidential election. These concern the requirements for entering several of next year's primaries: For example, if the Mayor wanted to enter the key Oregon primary he would have to be registered as a Democrat by September 15. Other primaries have other dates and greater or lesser requirements.

Nevertheless, it seems likely that if he does switch Mr. Lindsay will endeavour to keep his options open. As he looks coolly at the situation, he must realise that the chances of him ending up in the White House 15 months from now are slim indeed. Although an indisputably attractive campaigner, he has nothing approximating a national following at the present time. There has been talk that he could run as the spokesman of the nation's big and troubled cities, but this is not a concept that anybody can easily translate into hard votes.

Moreover it is clear that if he entered the Democratic race for the Presidential nomination he would start a long way behind the present front runners, Senator Muskie from Maine and, presumably, Senator Hubert Humphrey, the perennial candidate, not to mention such notable non-candidates as Senator Edward Kennedy. His presence in the Democratic Party could certainly be an unsettling factor in the scramble to win the nomination—indeed his support may well be vital to whoever does win—but his chances of beating the opposition and being presented as a viable opponent to Richard Nixon do not seem large.

Definitive

The Mayor is, of course, only 49, a young man in political terms and he does not have to think only of 1972. There is talk that he would like to take on Governor Rockefeller (or his hand-picked successor) in the 1974 New York gubernatorial race. Certainly his presence in the state Democratic Party could only revive it from the nadir to which it has recently sunk. He could also contemplate a Presidential race in 1976 without worrying about his creaking bones. If, by some chance, President Nixon were to be beaten next year, Mr. Lindsay would clearly be a good proposition to take over a key post in the next Democratic Cabinet. But if Mr. Lindsay were to stay a Republican and if Mr. Nixon were to triumph again next year, the chances of John Lindsay getting any sort of offer from the White House must be non-existent.

All these arguments have been swirling around the Mayor's head for months, even years, now. It is said that his staff at City Hall have already drafted a statement for him to use when he makes his critical announcement. Most of those who are really close to him (and he has surprisingly few personal advisers) have publicly said they want him to switch—most of them also want him to run for the White House next year.

Mr. Lindsay's only definitive comment on the subject has been that when he finally leaves his job at New York's City Hall he would like to retire to Paris and write dirty books. The odds are that he might have to postpone that ambition for many years.

ANGUILLA

New status and nothing to offer

BY DAVID LASCELLES, CURRENTLY IN ANGUILLA

AS ANGUILLA achieves "new status," neither its own leaders nor the British Government have more than a vague idea of what happens next. The only certainties are that Anguilla will vote not to rejoin the Associated State of St. Kitts when the present five year trial period is up, and that the island will be leading a precarious economic existence for a considerable time to come. Most other considerations, it is admitted, have been so overshadowed by the task of disentangling Anguilla's political problems, that they have either been neglected or completely forgotten.

Anguilla's fundamental economic problem is quite simple—it has almost nothing to offer. Physically, it is flat and featureless, the soil is poor and suffers from prolonged droughts, and water is scarce. Following years of undoubted neglect at the hands of the St. Kitts Government, it has no water supply, no electricity, no telephone service, no public telecommunications whatsoever with the outside world, and few roads, which are mostly in poor condition.

The limbo

Everything, from the most basic foodstuffs, is imported at great cost, and exports, mainly salt and lobsters, are so small as to be negligible. Few tourists visit the island (one estimate is only 150 a year), and there is only one tourist hotel worth speaking of, The Rendezvous with 20 rooms. Anguilla's annual budget of about £200,000 is only balanced with the help of about £75,000 in grant in aid from Britain, in addition to which it receives development aid to the tune of £70,000. Among its richest sources of revenue are postage stamps and workers' remittances.

Another obstacle to Anguilla's achieving any kind of economic momentum has been the limbo in which it has existed since the 1969 "revolution"—as it is now so grandly called. During that time Anguilla has lacked not only a proper legislative and administrative framework capable of forming and carrying out a development policy, but also the stigma attached to its name has frightened off would-be investors and entrepreneurs, particularly those anxious not to get into St. Kitts' bad books.

But on the other hand, Anguilla has benefited from the presence of the Royal Engineers and the policemen. The RE have surfaced six miles of road and

built Anguilla's only roundabout, they have put in some street lighting, dug wells, put up a public library and trained an embryo public works department. The police have somehow maintained law and order in the absence of any form of laws, legal procedure and even courts, and have laid the groundwork for Anguilla's own police force to be established under the order in council which gave Anguilla its new status.

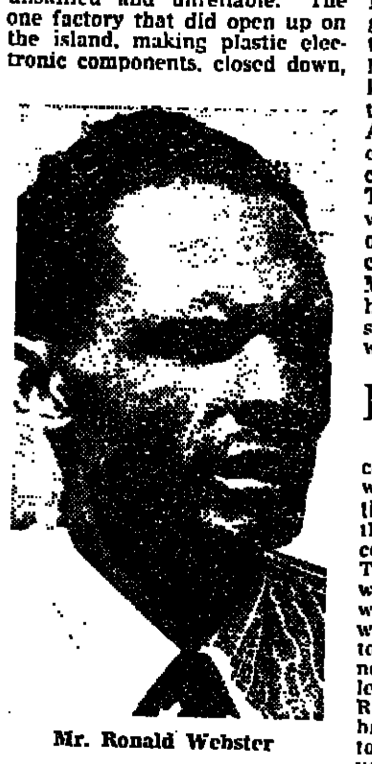
But with the period of political limbo over, and the REs and policemen due to be phased out shortly, Anguilla is being forced to look to a future which, according to one British official, is "very hazy indeed." A number of possible opportunities present themselves, though none has yet been realistically assessed.

The most obvious is tourism (which is what ultimately all tiny Caribbean islands end up doing), because for all that it lacks, Anguilla does possess some fine unspoilt coastline and good beaches. Before anything can be done in this direction, utilities will have to be vastly improved, though as a first step Britain is advancing £50,000 to improve the tiny airport. A tentative move has also been made towards obtaining the services of tourism consultants, but the prospect of any concrete move in this general direction is still considered in British circles to be very remote.

But the Anguillians themselves have very firm ideas on how tourism should be developed. A widely travelled bunch (only a third of Anguilla's total population is resident, the rest have gone to work elsewhere), they have seen what has befallen neighbouring islands: uncontrolled, large scale development, wholesale alienation of land to foreign interests, and in many cases the total destruction of an island's character. For this reason, they are determined to initiate and control all development themselves.

This policy has official backing, and the Anguilla Council has ruled that no land of any kind may be transferred, even among Anguillians, without its prior consent. The question of finance has not yet been thought out, but the Anguillians obviously hope Britain will establish some form of development bank. However, one should not ignore the considerable personal fortunes amassed by a number of Anguillians either by inheritance (as in the case of their leader Mr. Ronald Webster), good business management, or, most often, hard work. Mr. Webster himself is blithely confident that tourism will come of its own accord once electricity and water have been installed.

The possibility of tempting light industry on to the island is also under discussion to supplement the unreliable returns of tourism. Proponents of industrialisation cite the availability and comparative cheapness of labour, and Mr. Webster's Council is prepared to grant tax exemption for periods up to 10 years. But it is retorted from other quarters that industrialisation is totally unrealistic, particularly since Anguilla disposes of no natural resources of its own. It is also argued that the Anguillian labour force is largely unskilled and unreliable. The one factory that did open up on the island, making plastic electronic components, closed down,



Mr. Ronald Webster

allegedly due to inadequate labour.

The third possible course, making Anguilla a tax haven, is seldom discussed, probably because, as experience elsewhere has shown, initiative for such a move would have to come from European or North American businessmen—and Anguilla is host to none. In the shorter term Mr. Webster proposes to introduce airport, hotel, land registration and company taxes which he calculates should raise £70,000 a year—enough to balance the budget and do away with the grant in aid which Anguilla, like so many Caribbean islands, finds humiliating. These measures should not prove too unpopular locally since they are principally aimed at non-residents.

But Mr. Webster should not take his popularity for granted. Although most of the islanders support detachment from St. Kitts, there is evidence that a growing number of them are turning against their Leader (as Mr. Webster is now officially known). These include school teachers and other educated Anguillians who resent the emotional level on which he is conducting the island's affairs. There are also rich Anguillians who would have preferred to see one of their own men in command for, despite his wealth, Mr. Webster stands for the humble classes. And there is still the extremist fringe which wants total independence.

Little doubt

His exact standing should become clear at the elections which are due before the end of this year. There is little doubt though that he will continue to command a substantial majority. There is little doubt too that when the referendum is held within five years, to determine whether Anguilla should revert to St. Kitts, the answer will be no. Relations on the political level are as acrid as ever, with Radio Anguilla (one of HMG's brainwaves) suspiciously monitoring St. Kitts Radio, and vice versa. Anguilla is also better off financially—it gets more aid and gets it directly instead of through St. Kitts.

What has not yet been assessed is the strength of personal ties between Anguillians and Kittitians. Hundreds of Anguillians live in St. Kitts, and there has been much inter-marriage. Anguilla's tiny privately run airline has found it profitable to maintain regular direct flights between the islands, and there are even Anguillians who openly proclaim themselves pro-Mr. Bradshaw, the St. Kitts Premier whose wickedness, it is so often alleged, precipitated the crisis. Given these facts, and the additional consideration that Anguilla is too small to achieve much by itself, a rapprochement may still be possible once the present protagonists have left the stage.

Export News

10% drop in U.K. sales to Communist area

BY OUR EAST EUROPEAN CORRESPONDENT

BRITAIN'S EXPORTS to the Communist countries were nearly 10 per cent. down in the first six months of this year, compared with the first half of 1970, according to figures just published in Overseas Trade Statistics. They fell from £191m. to £177m., while imports from the area fell by only just over £1m. to £187m.

The most marked decrease is in exchanges with the Soviet Union, bearing out recent British complaints that the Russians should take more goods from the U.K. Sales to Moscow came to less than £40m. in this year's first half, against nearly £55m. last year, while British purchases from the Russians rose to more than £88.5m., compared with £85m. last year.

There were also falls in British *exports to Romania (from £16.2m.* to £13.9m.), to Poland (from £32.2m. to £30.7m.) and to Czechoslovakia (from £10m. to £9.4m.). Against this, imports from Czechoslovakia, in the same period went up to £13.3m., and from Poland they increased to £31.5m. But imports from Romania fell by £2.4m. to £10.2m.

One of the most marked increases in British sales is shown in the statistics for Yugoslavia, where the rise was from *£19.1m.* in the first half of last year to £32.6m. in the current year. *Imports from that country to* Britain also fell, however, from £10.2m. to just under £9m.

The most notable drop has been in exports to China. Despite the recent encouraging noises on the diplomatic front, there was a fall from £28.2m. last year to £10.7m. Imports from China also fell, from £18.2m. to £13.7m.

In the first five months of this year, meanwhile, the West Germans have been able to record an *11 per cent.* increase in their sales to the Communist area.

Their most notable successes so far have been with Hungary, where there was a rise from DM207.5m. (about £24m.) to DM301.3m., and Czechoslovakia, where it was from DM377.9m. to DM494.5m. There was also a slight increase in sales to the Soviet Union, from DM668.7m. to DM709.4m.

With all three of these coun*tries the West Germans have a* considerable trade surplus, which in the case of the Soviet Union is exceeding DM200m.

Mechanical handling specialists, G. Hunter (London) has won an *order worth £15,000 to supply* an air pallet handling system to Pakistan International Airlines *for installation at the PIA cargo* terminal at Karachi Airport.

In brief

Sheeters

Argentina's largest paper producer, Celulosa Argentina, has ordered two sheeter installations *from Masson Scott Thrissell* Engineering, for a mill at Capitan Bermudez in the province *of Santa Fe.* The order is worth about £200,000.

Equipment

The technicians and assemblers employed by Kode at Calne, specialist manufacturers of peripheral computer equipment have recently been working in Arabic. Their job was part of an order worth over £30,000 for machines, spares and special tools from the National Electricity Administration Computer Centre, Baghdad, Iraq, and it *involved producing some of the* keyboards of the punches and verifiers with Arabic characteri*sation.*

Chairs

Delta, the polypropylene chair, jointly developed by Du-al Furniture, of Harrow, Middlesex, in collaboration with ICI's Plastics Division, is to be manufactured under licence in the U.S. and South Africa. Mr. Irving Conway, chairman, *said:* "We are currently negotiating agreements in all overseas markets."

Du-al has just completed an order for the Delta chair in France—171 chairs for the French Communist Party in Paris—colour red!

Pottery sales up in first half-year

POTTERY EXPORTS in the first half of this year totalled £21.5m., *which was an increase of £1.7m.* compared with the corresponding period of 1970.

However, only three sections of the industry—domestic earthenware, unglazed tiles and electro ceramics—showed improvements in both the value and *quantity of shipments,* so that the aggregate volume of exports was down by 32,209 cwt to 1.4m. cwt. The large earthenware tableware section showed the biggest increase from £7.8m. *(362,801 cwt) to* £9.1m. (367,238 cwt). Shipments of unglazed tiles advanced from £528,000 (218,249 cwt) to £596,000 (234,755 cwt); and of electro ceramics from £960,000 (65,345 cwt) to £1.2m. (81,849 cwt).

All other sections showed an increase in the value of goods exported, but quantities were reduced. China tableware was up from just under £5.3m. to £5,304,000, but down from 83,081 cwt to 69,567 cwt. Similarly, ornamental ware of china and earthernware was up from £825,000 to £827,000 but down from 12,080 cwt to 10,741 cwt. Glazed tiles were up from £2,254,000 to £2,275,000, but down from 476,243 cwt to 444,747 cwt, while sanitary ware was up from £2,103,000 to £2,115,000, but down from 211,197 cwt. to 185,890 cwt.

Dunlop's sales almost doubled

EXPORTS of Dunlop's belting division rose by 92 per cent. in *the first six months of this year,* compared with the same period in 1970, the company claimed *yesterday.*

This increase in sales of transmission and conveyor belting for *industrial and mining* applications was achieved despite intensive competition in all overseas markets and during a period of low activity in the U.K. Among the buoyant areas was Eastern *Europe, where exports exceeded* £500,000.

Dunlop belting division in *Speke, Liverpool, confidently* expects a continuation in the pattern of exports with the prospect *of a brighter* home market following the recently introduced Government incentives to industry, it was stated.

Honeywell gets order for Finland

HONEYWELL has received a two-part contract worth about £160,000 for VutroniK instrumentation to be installed in a cupro-nickel smelting plant of Outokumpu Oy, which is to be erected in Finland.

The first part of the contract, valued about £60,000, was placed by BOC-Airco Cryogenic Plant in Britain and calls for the engineering design, installation and commissioning of instrumentation to control the feeding of oxygen to the cupro-nickel smelters. The air separation plant used to supply the oxygen is being erected by BOC-Airco for the Finnish company.

VutroniK instrumentation for the smelters was ordered by Outokumpu through Honeywell's Finnish company. This part of the contract, which also calls for Honeywell's automation service—design, installation and commissioning—is worth around £100,000.

The VutroniK control instruments are manufactured at Honeywell's Uddingston factory in Scotland.

Australia

William Press has received three contracts worth 3.7m. Australian dollars from Dow Chemical, Kaiser Engineering and a new Melbourne sewerage complex. The company has been working on the Australian market for two years.

Services

Ferranti's Digital Systems Division, Bracknell, has received two new contracts for the supply of equipment and training services for the Argentine Navy.

Consolidated Computer has supplied a second Key Edit system to LVA Bayreuth, which is part of the German national insurance organisation. The equipment was manufactured in Canada, but the money—about DM1m.—will go to the U.K. company at this stage. "We are building up to become self-sufficient here," the company stated yesterday. It was set up in January of last year, and claims to have taken orders worth £1m. for Key Edit systems during the first six months of this year. The latest system brings the total number of Key Edit keyboards in use at LVA Bayreuth to 26. They will be used to set up some 1.5 billion characters of *insurance records.* Each *person insured with LVA has a computer record* involving up to 1,000 characters, and the original method of data preparation caused major bottlenecks in the organisation's accounting and recording system. LVA estimates that the use of Key Edit, as opposed to the earlier methods using single key-to-tape units, is saving £11 per month on every keyboard. Until 1969, data preparation at LVA Bayreuth was carried out through card punches and verifiers. Single key-to-tape units were added in 1970. In February, 1971, the first Key Edit system was installed for evaluation purposes. Installation of the new systems has allowed the LVA data preparation section to increase its throughput to the extent that data collected can now be submitted to the EDP centre on the same day. Previously, there was a one-day delay between collection and processing.

Manufacturing agreement with Poland

FOSTER WHEELER has signed an agreement with the Polish trade organisation, POLIMEX-CEKOP, it was announced yesterday.

The terms of this agreement will enable manufacturing organisations in Poland, which have been previously inspected and *approved by Foster Wheeler, to* fabricate shell and tube heat exchanger equipment to designs prepared by Foster Wheeler in the U.K.

On the strength of this agreement, POLIMEX-CEKOP will therefore be able to sell Foster Wheeler designed equipment on a world-wide basis to COMECON and non-COMECON clients alike.

"It is hoped that this co-operation in the field of heat exchange equipment, in which Foster Wheeler has considerable experience, will make it possible for Polish equipment manufacturers to gain a larger share of world markets," the company declared.

Autopaster reelstands, thyristor drives and ancillary electrical equipment, worth about £50,000 are to be supplied by Witton-James, a GEC company, to the Danish publisher, Det Berlingske *Officin,* of Copenhagen, for association with a Super Rotamaster rotary gravure press.

A Plessey monitoring station

The Plessey Company is to supply an environmental monitoring station for a reservoir providing cooling water for Finland's first nuclear energy power station.

The contract for a special nine-parameter custom-designed monitoring system has been placed by the Finnish Ministry of Trade and Industry, and is worth in excess of £20,000.

The Plessey system will continuously monitor cooling water before and after it has passed through the nuclear power station, so that any effect on the local environment, both short and long-term, can be assessed.

Tourism in Jersey holding its own

By Our Own Correspondent

ARRIVALS in Jersey rose in the first seven months of the year by about 5 per cent. to 494,333, compared with the 1970 figure of 469,154. July was the busiest-ever month at the island's airport with over 10,490 aircraft movements.

In Guernsey, however, there was a 2 per cent. drop in arrivals to 135,380.

While increased travel by residents and businessmen may have accounted for some of Jersey's extra arrivals—and there seems to be a trend towards shorter stays by visitors this season—the figures are felt to show that the island's £25m. tourism industry is "holding its own" in spite of the effects of the U.K. postal strike and the economic situation on the mainland.

Guernsey's figures confirm reports by local hoteliers that the tourist season this year has not been as good as recently.

The island's tourist committee is particularly worried about a drop of nearly 7 per cent. in people arriving by sea.

This season British Rail Sealink has introduced a reserved seat system on its two ships operating the Weymouth-Channel Islands service. Formerly, passenger traffic was controlled simply by *sailing tickets.*

It was anticipated that the new move would reduce traffic to some extent, as the ships are now limited to 1,100 passengers against the previous capacity figure of 1,400.

But the Guernsey authorities are concerned that the seat reservation system is not working smoothly and is losing the island potential visitors. A meeting between island and BR officials to "review" the new system is likely to be held next month.

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Presses for Russia

Fielding and Platt of Gloucester, heavy hydraulic press manufacturers and a member of the Redman Heenan International Group of Companies, has received an order from U/O Stankoimport of Moscow to supply two further 500-ton flanging/joggling presses.

This latest Russian order, valued at over £100,000, will bring the total number of this type of presses supplied to the USSR to 20. Earlier units had formed part of a £1½m. contract which was placed a few years ago.

These presses are each weighing over 100 tons and are used for forming and bending steel plate *in the general and ship* building industry.

Switching loading berths

"K" LINE OF OSLO and DSR Lines are switching the loading *of their weekly services* from London to river wharves from August 23.

Primrose Wharf will handle the "K" Line for Oslo and *Gothenburg and DSR Lines* will operate from Lovells Wharf. Both these wharves are at Greenwich and full facilities have been made available for continuous receiving. Unitised and conventional cargoes will be handled.

"These moves mean a sub*stantial reduction in the costs of* exporting," said Cory Brothers Shipping, agents for the services. "The close proximity of the two wharves at Greenwich enables shippers to co-ordinate their deliveries to four major Scandinavian ports."

New York Premium Show

THE BRITISH PREMIUM Manufacturers' Association is sponsoring for the fourth successive year a group of British companies at the New York Premium Show, claimed to be the largest exhibi*tion of its kind in the world, from* May 1 to 4 next year

There is room in the group for *19 makers of premium goods*—the gifts and cut-priced merchandise used in sales promotions. *The sponsorship is under the* Department of Trade and Industry's joint venture scheme.

The BPMA *is planning* publicity promotions for the British companies in the U.S. trade Press.

There may be about 1,000 exhibitors at this annual show, which last year attracted more than 21,000 visitors. The association estimates that the U.S. premium and incentive industry is worth over $4,000m. a year.

Burmah's oil find in Ecuador

BURMAH OIL announced yesterday that Anglo-Ecuadorian Oilfields, in which it holds a majority *interest, was now testing an oil* discovery in the Ecuadorian Oriente concessions.

The well, designated Tiguino 1, is located on the north central area of the concessions block, which is held jointly with Superior Petroleum of Ecuador, Union Oil Company and California Ecuador Petroleum Company.

Oil flowed during initial tests but further production testing and additional wells will be required *to evaluate the size of the discovery,* the company said.

GARDENS TO-DAY

Try some variegations

BY ROBIN LANE FOX

IF THERE is one thing that throws me off balance, apart from thinking that I have lost the book which I am writing, blaming my wife and then discovering that it is safely under the sofa, it is the problem of what to do with sick plants.

I have a Dictionary of Pests and Diseases which is full of threatening diagrams of sex and the single spider. I have read that Lilies die of botrytis, though mine disappear before I can even discover what botrytis would look like, and I am willing to believe that Phloxes die of eelworm, though I have never found an eelworm inside a clump which is wilting.

Play safe

As soon as a plant turns sickly yellow, I long to feed it generously but on reflection, if I felt so sick myself, the last cure I would want would be lashings of cream and foie gras. If in doubt, I cut back, like a company director, and hope for better results next year; *when others* ask me why their Clematis wilt and their roses scorch, I like to play *safe and accuse hidden* draughts or their dog, two troubles which they cannot put right.

Now that pesticides and fungicides are so efficient, killing the bumble-bees as well as black spot, this sounds shamefully idle, but much to my delight, I have developed a taste for a group of plants which are technically sick but really most beautiful; shelving the bottles of Florisan, I will busy myself with variegated plants, the harmless invalids of the garden.

They are no longer quite such invalids as many scientists believed, as careful research has shown that streaks or variations in a plant's leaf are no longer due only to virus disease. The grouping of cells or the layers of pigment are often responsible for the splashes of white or the edgings of yellow which cause such excitement among many gardeners, but even if variegations are not *all* so sick as they once seemed, to many eyes they still look dreadfully sickly. They *have become a collector's pursuit* and to the outsider these collections can be pushed too far; I *have even been expected to* admire a *variegated Rhododendron.* Like plants which have numbers, still awaiting their definitive name, variegated varieties of everyday favourites are a matter of pride to snobbish gardeners. Like most *status* symbols, they are often ugly.

However, if you let your eye control your wish to be different, there are many variegated plants which many corners of the garden could satisfactorily house. Suppose, like me, that you happen to like Holly because it is evergreen, and a *mirror for* the sunlight both in summer and winter. You plant, perhaps, a glossy clump *or hedge of the* dark green variety and then fearing that the result will be too *sombre, you slip in one or two* which are streaked with yellow, like Golden Queen, and at once you have turned monotony into a simple tapestry. The other day, I saw a large yellow-edged holly supporting the climbing White Rose The Garland and the mixture of long spraying wands of white and gaily-coloured leaves of green and yellow was extraordinarily effective. It was not, however, a mixture to be touched and fingered.

Light and shade

Or suppose you like the firm lines of low Box hedging, a touch of the grand Continental gardens which will fit into the smallest city courtyard. Then, too, try a rounded ball of Silver Variegated Box (like all variegated plants, it is distinguished by an atrociously long Latin name in which nurserymen play variations on the theme of the Latin word variegata). Again, the green line is broken and you have two sorts of the same family, each catching the light in a different way: the subtleties of light and shade are one of the virtues of a good garden, all the more worthwhile for being neglected in the modern fashion for stark and allegedly *structural design.*

These two simple plans suggest a further use: if variegations can *lighten a dark mass of green,* why not a dark and shady corner, too? There is an old rule of thumb *here which says that* golden-streaked leaves like sunshine, white and silver streaks *like shade, and though there are* many exceptions (golden ivi[es] such as Buttercup are happy ev[en] under yew trees), it is not a b[ad] *guide to bear in mind.*

Out in the open, variegat[ed] plants should be used for emp[ha]sis *only*, well set off by conv[en]tional greens: a clump or two [on] lawns or borders, but not, I fe[el,] a whole *garden of streaked* si[ck] patients. In shade it is rath[er] different. Every filtered ray [of] *light needs to be picked up* suggested by its background a[nd] here, a planting which is par[tly] *evergreen* for glossy, reflecti[ng] leaves and mainly variegation splashes of white and yellow [can] be very heartening.

Except in winter, when it [is] thin and twiggy or, better st[ill,] cut down, my favourite wh[ite]-splashed shrub is the form [of] Dogwood, Cornus alba, with [the] longest Latin name in the ca[ta]logue. Under trees or bes[ide] water it looks pale white, as [if] its clump was flooded w[ith] moonlight: if you are garden[ing] for effect, not for rare pla[nts,] I see no point in bothering w[ith] less harmonious but more common variegations such [as] yellow-edged Weigela or wh[ite]-edged Orange Blossom.

This ordinary Dogwood is much more striking and bene[ath] it, again *in shade,* I would pl[ant] carpets of the white-splas[hed] Apple Mint which has that sa[me] *clear whiteness of tone,* ne[ver] bordering on the dirty yell[ow] which, personally, I find the le[ast] *appealing variegation. The M[int]* would also smell when I br[ushed] or trod on its leaves.

Good sense

Like all sick-bays, a border [of] variegated plants would ne[ver] hold all the patients availa[ble]. There are grasses, ivies, eld[er,] rue, Solomon's Seal and ev[en] primroses pressing for admissi[on,] all of them "sick" only in bota[ni]*cal terms but perfectly will[ing]* to grow robustly and most likely (except in certain cases [of] *two brothers side by side)* "infect" their green-leaved r[ela]tions.

This is only the briefest s[ug]gestion that perhaps this is a n[ew] field in which to begin; if y[ou] cannot, *nurse them, grow them*; that is advice which has [a] robust ring of gardening g[ood] sense.

PLA plans big oil and containe[r] terminal at Maplin Sands

BY RAY DAFTER

THE PORT of London Authority hopes to be in a position soon to apply to the Government for per*mission to build a big oil* and container terminal at Maplin Sands which could be brought in to operation by 1975 or 1976.

Mr. John Lunch, director-general, said yesterday that such a port development could cost around £50m. although, he pointed out, this was only an indication of the size of investment involved and not a true estimate.

Although the PLA hopes work will start on the development in *1973 no application has yet been* submitted to the Government. The PLA is awaiting the Government's decision on ancillary port and industrial developments which would be permitted alongside the already approved third London Airport at Foulness.

The PLA is a member of the Thames Estuary Development *Company which is planning a port* and industrial complex—along the lines of Rotterdam's Europort *development—at Maplin in* conjunction with an international airport. The Thames Aeroport Group has also put forward its own airport/seaport/industrial complex proposition to the Government.

Mr. John Lunch, director-general, PLA.

Tanker handling

Mr. Lunch said that initially the seaport would be mainly involved in the handling of large oil tankers, although there would be provision for facilities to cater for the growth in container traffic—a growth, he said, which was likely to be accelerated by Britain's *entry into the Common Market.*

Details of financing the port scheme have still to be worked out, but the PLA hopes that oil companies will contribute to the investment as well as providing guarantees for throughput. *Ideally, the PLA would like the oil companies* to provide the shore equipment and pipelines and the port Authority to finance the dredging of a deep-water channel.

Discussions about oil terminal *facilities* have been held with about 10 oil companies—some with refineries already operating in the Thames estuary area, and others with refineries planned.

Among those involved in the discussions are Shell, BP, Mobil, *Burmah,* Total, ENI, Murco and Occidental, said Mr. Lunch.

The Port of London, which last *year had a net deficit of £1.99m.,* has improved its financial position to a state where it is now trading profitably, taking into account all expenses but excluding severance payments.

Mr. Lunch hoped that by the mid-1970s the Authority would be *making at least £5m. profit, which* would enable several million pounds to be put into reserves. Turnover, which is likely to be £40m. next year, could reach £50m. by 1975, he said.

Improved profitability was [the] main aim behind the rational[isa]tion programme being carried [out.] *The labour force, which stood* [at] 12,000 in 1968 and 9,200 earlier [this] year, is being reduced by ano[ther] 3,000 over the next few years.

Conventional cargo berths in up-river dock systems are be[ing] closed as the emphasis switche[s to] unitised cargo handling at Tilb[ury] (A £7.75m. extension to the Tilb[ury] container terminal is planned [on] a riverside site, as announce[d in] the Financial Times on June 2[?].

Mr. Lunch said that Tilbury [is] now *Britain's* leading conta[iner] port and one of the top fou[r in] Europe.

The rationalisation plan has [left] the PLA with 830 acres of re[dun]dant land and important build[ings,] all capable of redevelopment. [A] good deal of dockland redeve[lop]ment has already taken place.

While the Authority has [an]nounced that it would prefe[r to] retain the freehold of as mu[ch of] the land and buildings as poss[ible,] *selling the leasehold rights* [and] possibly deriving some form [of in]come from the development, [Mr.] Lunch *pointed out the PLA* h[ad a] flexible outlook to redevelop[ment] proposals. "Provided we [get] enough money we will sell [any]thing."

He added that while Lo[ndon] would never be a cheap p[ort, it] *would be competitive from* [the] standpoint of service versus c[ost.] He pointed out that PLA's re[venue] from all sources last year r[epre]sented 0.8 per cent. of the [value] of all goods handled in the po[rt.]

Now office machine tra[de] wants more VAT details

FINANCIAL TIMES REPORTER

THE GOVERNMENT could be forced to postpone the introduction of Value Added Tax or risk "a chaotic conversion" unless more detailed information is given, says the Business Equipment Trade Association.

BETA, representing 215 companies, maintains that the business equipment industry needs to be advised immediately of the *maximum number of rates the* Government is likely to introduce and the number of decimal p[laces] involved.

"If the industry does no[t get] this information now, [no] guarantee can be given [that] accounting machines, comp[uters] and similar equipment wi[ll be] ready to cope with transa[ctions] using the new tax by April, [1973,]" BETA argues.

In talks already held [with] Customs and Excise, BETA [said] it has emphasised that fo[r] industry to play safe and a[ssume] a greater number of rates [of VAT] and a greater number of dec[imals] than would prove nece[ssary] "could result in saddling ind[ustry] with substantial and unnece[ssary] costs only a short period [after] the 'trauma and expense [of] decimalisation."

BETA, in a memorandum to members, reports that Cus[toms] felt there might be up to [?] rates of VAT. The associ[ation] itself advocates a maximu[m of] two, plus zero-rating.

Customs accepted the a[ssocia]tion's thinking that the ra[tes of] tax should be kept to whole [per]*centages and not involve* dec[imals,] the memorandum notes.

But Customs could not [agree] that companies could have a[n un]restricted choice of dates [on] which to end their three-m[onth] accounting period.

However, BETA was abl[e to] obtain support for its pr[oposal] that immediate repayment s[hould] be made of any credit bal[ances] of VAT at the end of [an] accounting period and that *balances should not be* ca[rried] forward into the next tax p[eriod.]

S. Wales ports import more timber

BY OUR OWN CORRESPONDENT

CARDIFF, August 10.

SOUTH WALES ports' trade figures, released to-day, emphasise the expanding timber trade as being due mainly to the activity of Fletcher's Wharves (Cardiff).

This is reflected in figures showing that, of an increase in timber trade of 43,449 tons to 239,638 tons for all the ports in the first 30 weeks this year, 39,805 tons more had been handled by Fletcher's in Cardiff.

Mr. Keith Allen, Fletcher's managing director, said it consisted *mainly of packaged lumber from* British Columbia in addition to loose and packaged timber from *Russia.*

The overall trade figures of the ports for the four weeks ended *July 25 increased 501,462 tons on* the corresponding period last year to 1.66m. tons. But a British Transport Docks Board spokesman attributed this increase to the lower level of trade handled 12 months ago as a result of the national docks strike.

Rising imports of coal were another feature during the first 30 weeks of the year. They reached 912,000 tons and have since gone well above 1m. tons. They are for steelworks and power stations and have come from Australia, the U.S. and *France. Another 150,000 tons are* on the way.

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European News

Moscow steps up anti-China campaign

By Michael Simmons, East European Correspondent

OVIET authorities are stepping p their campaign to isolate hina from the rest of the world ommunist movement. A recent loscow broadcast, geared to resident Nixon's coming visit Peking, stated that the foreign olicies of Mao Tse-tung and ose around him were based "militant ultra-nationalism, auvinism and a drive for omination."

This sort of invective suggests at Soviet-Chinese relations are low as they have been at any riod since the exchange of mbassadors last year. It also iderlines the differences tween the Soviet Union and umania, whose President eausescu was in Peking for iendly talks only a few weeks o.

rincipled

The Soviet broadcaster, in rect contrast to some of his st European counterparts who ve given a cautious welcome the proposed Nixon visit, ded that "the world public ist have noted that the Chinese iders have not offered a single, alistic constructive proposal in cent years that could serve ace or the security of nations." en when the U.S. President ally reaches Peking, he went there was little reason to lieve the Chinese would take principled stand."

At a time when the Russians mselves are doing all they can increase commercial contacts h the West another broadcast pointed out that 80 per cent. China's foreign trade turnover with the "capitalist world," ng dependent on these ntries "almost entirely" for ustrial equipment.

hina is also blamed for the lation of the wars in Indona. It is said that the Peking lers have done "all they id" to block a political settlet in Vietnam, and that they e "a serious responsibility" what has happened in Indona.

t the same time, Soviet broads to China have welcomed signing of a Sino-Soviet e and payments agreement Moscow last week. "The iet side," said one speaker, lds that it is necessary to e all-out efforts to develop et-Chinese trade at this ." He added that the value oods exchanged between the countries reached only 42m. les (about £19m. at the ial exchange rate) last year. year the total is expected e in the region of 180m. les.

'ravda avoids ondemnation f Nixon visit

MOSCOW, August 10.

COW to-day reminded iington of the importance of between them and issued sh warning against use of a -American rapprochement nti-Soviet ends.

ese comments on President 's forthcoming visit to ig appeared in the Soviet nunist Party newspaper la and were written by emician Georgi Arbatov, tor of the U.S. Institute of oviet Academy of Sciences. e article was the second of nd on the President's trip pear in Pravda. Like the published 10 days after the to Peking was announced. y's commentary left the lin's options open and ed an outright condemnaf the move.

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NATO's package for Malta is nearly ready

BY RICHARD JOHNS, MIDDLE EAST CORRESPONDENT

BRITAIN and its NATO allies are on the verge of finalising an aid offer to Malta involving at least £12m. a year, and possibly up to £15m. a year, according to authoritative sources in London.

It is understood that the British share in the proposed package would be £8.5m. a year, of which £5m. would be an outright grant, with the balance of £3.5m. in loan form.

Yesterday, as the NATO Council continued its discussions in Brussels, there was still some doubt as to the amount which other members of the Alliance would be prepared to contribute. Of the original target of £6.5m. a year, £3.5m. in grants seems to be assured, with the U.S. giving £2m., and Germany and Italy giving £750,000 each.

The sources hoped that the package would be finalised by Thursday.

Aid of £12m. a year would compare with a total of £9m. (three-quarters as grant and one quarter as loan) to be paid by Britain by 1974 under the 1964 Financial Agreement—the residue of the £50m. originally promised. But it would be very much less than the £20-£30m. that Mr. Mintoff has been seeking for use of the island's facilities.

It remains to be seen how the volatile Mr. Mintoff will react to such an offer. However, he will have been told by Mr. Jorg Kastl, Acting Secretary-General of NATO, who visted Malta last week for talks with Mr. Mintoff, just what value the organisation places on the facilities. Mr. Kastl was instructed to be blunt with the Maltese Premier.

There is considerable hope that Mr. Mintoff would be prepared to accept something in the region of £12-15m. a year. According to some Maltese sources, this was the kind of figure Mr. Mintoff had in mind in the first place and that his extreme demands were a bargaining position.

But, Our Brussels Correspondent writes, the NATO Permanent Council yesterday ended its third special session in three days with no apparent agreement on a new offer to put to Mr. Mintoff for Britain's continued use of the island's military facilities. But the impression at alliance headquarters here is that Britain is now pushing its NATO partners for a decision as quickly as possible.

There are still no clear indications here of how deeply NATO is willing to dip into its collective pocket. Several alliance members are reluctant to pay anything at all. But whatever comes out of the NATO consultations, which will continue to-day, the next move is between Britain and Malta. It is thought unlikely here that there would be a second visit to Malta by a NATO envoy, like the one made last week by Mr. Kastl.

USSR offers repairs to Malta dry-docks

BY OUR OWN CORRESPONDENT VALLETTA, August 10.

THE SOVIET UNION is elbowing its way into closer ties with Dom Mintoff, the Maltese Premier, by offering to send a considerable number of ship repair orders to the Malta Drydocks.

The London-based Soviet Ambassador to Malta, Mr. Mikhail Smirnovsky, sent a special message to the Malta Government to report that his office asked for Soviet merchants ships in need of repairs to be urgently channelled to Malta.

The message, passed through Mr. Arthur Scerri, the new Maltese High Commissioner in London, was to-day being carefully considered by Mr. Mintoff who is publicly committed not to rush into accepting Soviet aid.

The meaning behind Mr. Smirnovksy's move is principally aimed at finding out just how far Mr. Mintoff will go in rebuffing help from Moscow. The timing could not be more precise. Mr. Mintoff's demands to Nato and Britain for a reported £30m. rental for bases are currently bogged down.

It is hardly likely that Mr. Mintoff will turn down the Soviet offer or fail to appreciate its significance at a time when he needs to pull every available lever with Nato and Britain.

Mr. Smirnovsky, however, will not be able to conclude that Mr. Mintoff's acceptance in any way registers progress for his time honoured bid to set up a Soviet embassy in Malta.

The best he can hope for is that Mr. Mintoff, with Soviet tankers regularly coming into Maltese dry docks will be encouraged to battle harder with Nato and Britain to get what he wants.

In the meantime the Maltese Premier has decided to convene the Maltese Parliament for next Monday, a week before the two month constitutional limit expires. Hopes of the troops issue being thrashed out in public however were dashed two days ago when during a labour celebration Mr. Mintoff said he will only disclose the details of the current negotiations after the talks are over.

Soviet gas to fill 10% of French needs

BY ADRIAN DICKS PARIS, Aug. 10.

FRENCH purchases of Soviet natural gas, due to begin in 1976 at a rate of some 2,500m. cubic metres a year, worth a total of £300m. over 20 years, are likely to account for around 10 per cent. of France's total natural gas needs.

An agreement between France and the Soviet Union was reached in Moscow last month and just initialled in Paris. It also envisages export contracts for French companies worth about £100m. for the supply of pipes, valves, pumps, compressors, instruments and other equipment to the Russians for the exploitation of their gas reserves and construction of pipelines.

No decision has yet been announced, however, about how the Soviet gas will be transported to France. While the obvious solution would appear to be to go through the West German grid, there are still understood to be differences between the French and West Germans over the tariffs involved. An alternative route going through Czechoslovakia, Austria and Italy has also been proposed.

Aside from the Soviet Union, France has long-term natural gas contracts with the Netherlands for purchase of 8,000m. cubic metres a year of gas from the Groningen field—and with Algeria for purchase of some 4,000m. cubic metres of Sahara gas—a contract that managed to come intact through even the recent stormy period in Franco-Algerian relations. In addition, France's own deposits in the Pyrenees will still be producing some 7,500m. cunbic metres a year in 1976.

The part of natural gas in France's overall energy needs, which amounted to 6 per cent. last year, is expected to rise to 10 per cent. by 1975 and 12 per cent. by 1980, according to the provisions of the sixth plan, confirmed a few days ago by the Cabinet.

Our Vienna Correspondent adds: Austria and Italy have decided to submit a proposal to the Soviet Government which envisages the increase of combined Soviet natural gas deliveries from 6,000m. to 10,000m. cubic metres per year through the projected Austro-Italian gas pipeline. This was revealed here after the final approval of the project by the supervisory board of OIAG, the holding company for the nationalised industries.

The 250-mile pipeline from the Austro-Czechoslovak border to northern Italy will cost about £50m. and should go into operation in mid-1974 at the latest.

Makarios says talks are deadlocked

NICOSIA, August 10.

PRESIDENT MAKARIOS of Cyprus said to-day that a deadlock had been created in the three-year-old talks between Greek and Turkish Cypriots for a settlement of the island's communal conflict.

The President spoke of the deadlock in the first official Greek-Cypriot reaction to yesterday's reply by the Turkish community to Greek-Cypriot proposals for a settlement.

"The talks between the Greeks and Turks in Cyprus, which started three years ago, have not reached a positive result and a deadlock has been created since yesterday," Archbishop Makarios said at a ceremony in which Poland's new ambassador to Cyprus presented his credentials.

The President told the new ambassador, Mr. Tadeusz Wujek, that: "Outside pressures and machinations are aimed at forcing our people to accept a solution to the Cyprus problem contrary to the will of the vast majority of the people and contrary to all democratic principles."

Reuter

THE GERMAN PETROL MARKET

Facing the problem of too many stations and not enough profits

BY CHRISTOPHER LORENZ

ACCORDING to the head of German Esso's filling station sales division, the car is the German's favourite child. Anyone who has braved a German autobahn will have little cause to disagree, although he might be tempted to substitute "weapon" for "child." Moreover, the citizens of the Federal Republic are more mobile than any of their Common Market neighbours; petrol consumption is rising at about 10 per cent. a year, and is expected to top 23m. tons by 1980.

Despite this captive market, none of the oil companies operating in West Germany has been having an easy time. In recent years most of their petrol operations have been running at a loss, although they have usually managed to turn in respectable overall profit figures thanks to better results from refining, heavy duty oil sales, and natural gas operations. While the outlook is better this year following two major price increases within four months—in the wake of the Tehran and Tripoli agreements and general cost increases—all the companies are in the throes of radical modernisation and transformation of their filling station business. The core of the programme is a drastic reduction in the number of stations and an improvement of facilities.

Warning

The origins of the profitability problem go back to the early 1960s. Eleven years ago there were 4.5m. cars in the Federal Republic. By 1966 the number had more than doubled to about 10m. Petrol consumption rose accordingly, from 5.5m. tons in 1960 to 11.5m. in 1966. The coming of the motor age was one of the most obvious aspects of the *Wirtschaftswunder* and it was not just the major oil companies which realised the opportunities. Small businessmen, too, set up anything from one or two pumps outside their shops to a small chain of well-equipped filling stations around their home towns. Between 1960 and 1966 the number of petrol stations grew by 44 per cent. to 44,900. By the middle of the decade the so-called "free filling stations," those unconnected with the major companies, had a market share of about 20 per cent.

Although petrol sales were growing more than twice as fast as the number of filling stations, it was the independents who were getting the largest share of the growth. This should have been taken as a warning by the big companies. In fact, as some of them now freely admit, they saw the signs too late. While the number of filling stations increased to a record 46,700 in 1968, there was little improvement in the throughput per station.

The result was a hard-fought price war. The majors' prices were heavily cut in 1966, only to rise gradually before being cut again during 1968 and 1969. The staff of the Federal Cartel Office and the oil companies came to know each other well as one price development after another—including the gap between autobahn prices and normal ones—was investigated for possible infringement of the laws of competition. At the end of the day the only beneficiaries from the hostilities were the consumers. The market share of the independents was still around 20 per cent.—on a petrol station share of only about 10 per cent.—and the majors could do little to improve the profitability of their petrol operations.

Since 1968-69 the majors have gradually become more flexible in their approach. They have abandoned their region-based pricing policy and are sometimes prepared to allow one of their stations to cut or raise prices as the local competitive situation demands. Shell has recently done this, belying its reputation as a conservative-minded company. At the same time, they have embarked upon a drastic pruning of their networks; the total number of filling stations has been cut from 46,684 in 1968 to 45,849 in 1969 and to 44,417 last year, compared with 48,000 in France and 37,500 in Britain. By the end of the decade the planners foresee a further reduction of 25 per cent. in spite of the entry into the German market of newcomers such as Gulf and Conoco, and despite the erection of new stations in the latest housing and shopping areas.

While the number of stations is being reduced, the remaining ones must be made more profitable. To some extent existing trends are on the side of the companies. Between 1965 and 1970 the number of cars per petrol station rose from 227 to 324. Between 1966 and the beginning of this year the amount of petrol sold by each station rose by an average of 40 per cent. (albeit most of it in the last two or three years). With the number of cars expected to increase from the present 15m. to about 20m. by 1980, a streamlined filling station network would seem to have every chance of making itself pay.

But other developments are less advantageous. Apart from the spiralling of most costs, the rate of increase in car ownership is being offset by a reduction in the number of miles travelled by each vehicle. According to BP's German subsidiary, the 1968 average was 10,000 miles per car, compared with only 8,000 miles last year. Meanwhile, the average throughput per station is well below what the industry considers an economic level. Esso reports that the minimum requirement for profitability is the equivalent of 10,000 gallons per month, but that the average level of the majors' stations is only about 7,300. Other estimates of the present situation are more optimistic, ranging from 7,500 to 9,000 gallons, but this includes the independent stations, many of which have an extremely large turnover.

The industry is also concerned about the effect on the market of further price rises. In Bonn the Transport and Economics Ministries are arguing over whether petrol tax should be increased by 10 pfennigs or only 3 pfennigs (Professor Schiller wants to gain the rest of the necessary income by raising car taxes). The industry points out that while the average price for regular-grade petrol is almost the same now as it was in 1960 (about 60 pfennigs per litre), the taxation share has risen from 34.3 pfennigs to 40.8. Esso goes as far as to have a small sticker on every pump showing the latest tax burden.

The industry caps its criticism of the Government's policy by pointing out that, although it has improved the octane value of regular petrol from 91 to 93 since 1960, the net income from each litre of petrol has fallen from 25.7 to only 18 pfennigs.

Price rises will also be inevitable, according to the industry, when the new law drastically reducing petrol's lead content comes into full force in January, 1976.

The confrontation between industry and Government may get worse as one side blames the other for pushing the price spiral higher. Professor Schiller has already hinted that the Government may consider departing from its laissez-faire policy and imposing maximum price limits along the lines of those in force throughout the rest of the Common Market. Bonn does not dispute the industry's contention that it will have to invest DM 25,000m. within the Federal Republic alone before 1980 if it is to satisfy the growing demand for oil, but it points out that many of the international parents of the companies operating in Germany are making sizeable profits.

As a result, the industry is increasing its scope and is turning to promotions and ancillary activities to provide its bread and butter. None of the majors has followed the lead set by BP 12 years ago in offering several blends as well as the usual regular and super grades. But they are all turning part of many stations over to self-service operations. According to some estimates self-service will soon account for over a quarter of all petrol sales.

The companies are also hard at work revamping their properties, usually adding extra facilities such as automatic washing equipment. Well over three-quarters of German filling stations can now wash your car, almost 40 per cent. claim to be able to repair large faults, and two-thirds sell cigarettes.

Increasingly, the forecourts are adorned with ever brighter colours as one promotion follows close on the heels of the last. Behind many of the promotions lies the theory that no parent can afford to ignore the wails from little Johann in the back seat that he wants animals rather than soccer medallions (Shell), "old timer" car transfers (Aral), car number plates (BP) or a Christmas carol music sheet (Texaco). On the other hand, Johann may change his mind and plump for a cut-price umbrella (Shell), an imitation street plaque (BP) or a crime quiz (Chevron).

Challenge

Hand-in-hand with this approach goes the development which most companies see as the likely solution to their problems: the "aftermarket." This rapidly growing business ranges in size from a few shelves in the cash office covered with small car accessories, through the "mini market" run by Aral to the latest prototype, a full-scale Shell "petrol supermarket" in Hamburg.

Whether the oil companies will ever challenge the department stores remains to be seen, but for the moment most medium and large filling stations can offer you anything from spare fog lights to stationery, perfume, cameras, toys, women's tights, and foodstuffs. Some of the goods have a doubtful connection with motoring: one company sells crates of beer to passing drivers, while a recent survey of the range of wares in the Frankfurt area turned up such items as a bow-and-arrow and a darts set.

FILLING STATIONS IN WEST GERMANY

Year-end	1960	1966	1968	1969	1970
Aral	5,700	7,400	7,610	7,260	7,040
Esso	5,100	6,500	6,230	5,950	5,800
Shell	4,900	6,290	6,310	6,090	5,783
Deutsche Erdöl/Texaco	2,300	3,600	4,810	5,186	5,031
BP	3,890	4,780	4,830	4,790	4,640
*Gasolin	3,470	3,550	3,550	3,160	3,061
Caltex/Chevron	900	1,600	1,165	1,181	1,160
Avia	1,100	1,340	1,170	1,165	1,111
Fina	700	1,000	1,005	975	964
Total	400	990	850	835	759
Fanal	—	820	816	795	750
Gulf (Frisia, Marathon, Sape)	40	510	760	741	730
Agip	—	280	415	560	590
Conoco (Jet, Sopi, VK ...	—	555	550	537	562
Others	5,500	5,685	6,629	6,625	6,436
Total	34,000	44,900	46,700	45,850	44,417
Of which, "cut price" stations" ...	2,700	4,605	5,650	5,912	†

* Owned by Aral. † Unavailable.
Source: BP, Benzin and Petroleum AG, Hamburg.

Britain to put plans for sea-bed control

BY OUR OWN CORRESPONDENT GENEVA, August 10.

BRITAIN is prepared to accept an extension of the territorial sea limit from the present three miles to 12 miles, Government officials said to-day. But this could not be applied to exploitation of sea-bed minerals, the officials said.

The British delegation to the United Nations sea-bed committee meeting here has made it clear that Britain would never consider giving up all rights to such exploitation up to a depth of 200 metres. North Sea exploitation, for example, is now being conducted 180 miles out to sea although the depth is less than 200 metres.

Thus, limitation of territorial waters would not, strictly speaking, be involved in the establishment of an international authority to control ocean floor mining at great depths. Mr. Alan Archer, geological adviser to the delegation, said he did not believe such activity would upset world markets.

The most generous projection up to the year 2000, he said, shows that production of deep-sea hydrocarbons would be fully absorbed by rising demand. As for the copper, nickel and cobalt found in manganese nodules, production, if it becomes economical, would make up only a part of demand increases.

The British delegation, headed by Mr. John Simpson, second legal adviser to the Foreign Office, presents to-morrow a British proposal for an international sea-bed regime. The proposal supports that part of the American draft treaty calling for the establishment of a trusteeship zone which would control ocean floor exploitation between the 200-metre depth limit and the end of the continental margin. The power to issue licences within this zone would be vested in the coastal State. Beyond the zone, it would be the international authority.

Companies receiving licences should undertake work obligations in the form of minimum annual expenditures, the British proposal states. These obligations would cease to apply once production is achieved, when royalty payments would be introduced.

Four power ambassadors in eight-hour meeting

BY MALCOLM RUTHERFORD, BONN, August 10.

THE FOUR power talks on Berlin to-day entered a crucial, and perhaps, final phase as the ambassadors of the four powers held their longest meeting ever, and agreed to meet again to-morrow. Diplomatic sources said it was possible that they would continue to hold daily sessions until the end of this week in an effort to reach a Berlin agrement.

The sources added that the ambassadors were discussing how the outstanding differences between the Russians and the three Western Allied powers might be bridged, and what further work on a Berlin agreement was needed. This might be done at a technical level in drafting the text, or by further talks in the foreign offices of the four powers. The process of review could take several days.

Diplomatic sources also admitted that at the end of the review the four power talks might still adjourn for the summer, leaving the agreement till the autumn. But the general mood was that, even if it is delayed for a few more weeks, agreement will be reached.

The news blackout, decreed by the ambassadors last week, continued to-day with sources declining to disclose any of the content of the exchanges. It is known, however, that Mr. Abrassimov, the Soviet Ambassador to East Berlin and chief Soviet negotiator, has just been in Moscow for consultations with his Government. It is hoped on the Western side that he has returned with a new and more flexible brief. This hope grew to-day as he at least agreed that the meetings should be quickly continued, and commented to reporters that to-day's negotiations made two big steps forward.

To-day's session of ambassadors was the 27th so far in talks which go back to March last year. It was the first time the ambassadors have extended their sessions much beyond lunch time and the talks in fact lasted for more than eight hours including a working lunch. Normally, they have simply agreed to meet again at intervals between a week and over a month.

ITALIAN WAGES UP —STRIKES DOWN

ROME, August 10.

Italian wages rose on average between 10 and 12 per cent. over the first six months of this year compared with the same period last year, the Central Statistical Institute (ISTAT) said.

Strikes, however, fell back sharply to 45.4m. man hours in the first five months compared with 84.8m. man hours in January-May, 1970, ISTAT added.

Reuter

Other Overseas News

Syrians mediate in Arab-Moscow split

BY IHSAN HIJAZI

BEIRUT, August 10.

SYRIAN Vice - President Mahmoud Ayoubi and Foreign Minister Abdelhalim Khaddam left unexpectedly for Moscow to-day for talks with Soviet leaders. The official announcement in Damascus did not disclose the purpose of the sudden visit.

Informed sources here believe the two Syrian officials are on a mediation mission between Soviet Union and Sudan following deteriation of relations between the two countries in the wake of the abortive pro-Communist coup against Major-General Jaafar Numeiri last month.

The sources said Mr. Ayoubi and Mr. Khaddam will explain why Syria and its allies, notably Egypt and Libya, had backed General Numeiri despite his suppression and execution of Sudanese Communists. This has clouded the atmosphere between Moscow and the Arab regimes which have been regarded as allies of the Soviet Union in the Arab area.

The visit was preceded by a meeting on Sunday between President Hafez Assad and the Soviet Ambassador to Damascus Mr. Nouredin Mohieddinov.

The two officials will also assure Soviet leaders of Syria's desire to maintain close co-operation with Moscow, and, informed sources say, will refute allegations which had appeared in Beirut's right-wing publications that the Syrian regime itself was getting ready to suppress the Communists. Two Communists are still members of the Syrian Cabinet while seven are members of Syria's new parliament, the Peoples Council.

Richard Johns writes: Saddam Hussein Tikriti, Vice-President of the Iraqi Revolutionary Command Council and Assistant Secretary of the ruling Baath Party, has been placed under house arrest in Baghdad for his support of the short-lived Communist take-over in Khartoum, according to the Beirut newspaper Al Moharrer.

The pro-Egyptian newspaper, which has been well informed about Iraqi events recently, said that Tikriti was being held responsible for Baghdad's embarrassing involvement in the coup of July 19. Iraq immediately recognised the regime set up by Major Hasim al Atta, apart from the People's Democratic Republic of Yemen (whose acknowledgement went unpublicised at the time).

Tikriti, generally known as the "strong man" of the regime, has always been considered to be close to the Soviet Union. Indeed, there is a widespread belief shared by many Western diplomats that he was in the past a Moscow agent. At least, it can be certain that Tikriti is one of the extreme left-wing faction of the Iraqi Baath.

Al Moharrer quotes informed Iraqi sources as saying that Tikriti had held secret contacts with Major al Atta's group through Mohammed Salman, a Sudanese member of the Iraqi Baath's Pan-Arab (International) Command. Salman was killed when the aircraft carrying him to Khartoum crashed near Jeddah on the day that President Nimairi's counter-coup succeeded.

Recently, the Iraqi regime has been concerned about the activities of a splinter group of the Iraqi Communist Party naming itself "Communist Party—Central Leadership." The group is said to have committed acts of sabotage in southern and central Iraq over the past few months.

There is one Communist in the Iraqi Government, Mr. Aziz Sharif, who was appointed Minister of State on August 1 after being Minister of Justice since early in 1970. But the regime has failed in fulfilling its intention—stated at the end of 1969—to include the Communists in a left-wing "national front." There has been suspicion on both sides. But the basic reason has been the unwillingness of either side to share power. In addition, the Iraqi Communists, following Moscow's line, have been in favour of a diplomatic settlement to the Middle East crisis.

If it proves true that Tikriti has fallen from power in the Revolutionary Command Council, then it will be interesting to see the outcome of the trial, at present going on secretly, of 50 Iraqi Air Force officers, including Commander-in-Chief Air Marshall Hussein Hayawi. Their detention is believed to have been ordered by Tikriti.

They are charged with conspiring against the regime. But, according to Kurdish sources in London, they were responsible for an attack on Kurds in the north of Iraq—a question of some importance since the regime has been trying somewhat ineffectively to reach a lasting agreement with this minority since the agreement of April last year. The Kurdish Democratic Party, which represents this mountain people, has always had close links with the Iraqi Communist Party.

Ruler of Oman move to accept Imam

By Our Own Correspondent

CAIRO, August 10.

THE exiled Imam Ghaleb Ben Ali of Oman arrived in Cairo yesterday for talks at Arab League headquarters which could lead to a reconciliation between him and Oman's ruler, Sultan Qabous.

A settlement between the two is essential if the strategically important Gulf state is to win the recognition it is seeking from other Arab countries. This in turn would bring entry to the Arab League and the United Nations.

The Imam Ghaleb Ben Ali was exiled from Oman in 1955 by the ex-Sultan Said Ben Teymour and subsequently during the 1950s led the insurrection which Sultan Said put down with British help. The Imam, who claims to be the true Ruler of Oman, has been supported by several other Arab States, in particular by Saudi Arabia, which had a permanent quarrel with Sultan Said over its claim to the Buraimi Oasis.

The situation changed in July, 1970, when Sultan Said's son, Qabous, seized power in Oman. Since then Qabous has twice sought entry to the Arab League and recognition for Oman. The first effort in March failed when the Imam came to Cairo and successfully opposed Sultan Qabous application.

Qabous had more success in June, when he sent missions to all Arab States, except for Saudi Arabia. According to an Arab League spokesman, four States, Syria, Lebanon, Kuwait and Tunisia, have already officially indicated that they support Oman's entry. In addition, Morocco and Algeria are reported to be ready to back Qabous. In July there were reports that the Kuwaitis were trying to mediate between Qabous and King Feisal, without whose consent Arab League recognition will not be forthcoming.

The Saudis are understood to have indicated that their recognition depended on a settlement between Sultan Qabous and the Imam, who has been living in Saudi Arabia. The Imam met this morning with Arab League Secretary - General Mohamed Abdel Hassouna.

Cairo to act at UN

BY WILLIAM DULLFORCE

CAIRO, August 10.

THE Egyptian Foreign Ministry is planning Cairo's next move in the Middle East crisis, generally believed to be an all-out campaign at the September meeting of the United Nations to isolate Israel and the U.S. and perhaps to have the whole matter reconsidered by the Security Council.

Egypt's chief UN delegate, Mohamed el Zayyat, is in Cairo, Ashraf Ghorbal, Egypt's chief diplomat in Washington, arrives to-day, and Murad Ghaleb, Ambassador in Moscow, is expected later this week. Ghorbal is bringing a report on U.S. Assistant Secretary of State Joseph Sisco's latest visit to Israel, which is regarded here as having been fruitless.

Egypt expects to get worldwide backing for its stand that the Security Council resolution of 1967 calling for Israeli withdrawal from all occupied Arab territory must be implemented. A ten-nation committee of the Organisation of African Unity will meet shortly in Kinshasa to plan African support. During his visit to Belgrade at the end of June, Foreign Minister Mahmoud Riad is understood to have arranged for Yugoslav help in rallying the non-aligned countries and even for lobbying among South American countries.

Meanwhile, Saudi Foreign Minister Omar al Saqqaf and Sadat's personal representative Hassan Sabry el Kholy leave to-day for Amman with a "working paper" for King Hussein, containing the latest Egyptian-Saudi proposals for an agreement between Jordan and the Palestine guerillas. The paper has been approved by both Sadat and King Feisal and Saqqaf was optimistic that a settlement was in sight when he arrived in Cairo on Sunday after talks with King Hussein and guerilla leaders in Damascus.

U.S. fears Thieu will stand alone

WASHINGTON, Aug. 10.

PRESIDENT NIXON has had talks with Mr. Ellsworth Bunker, U.S. Ambassador to Saigon, which are widely viewed here as an effort to induce President Nguyen Van Thieu to broaden participation in the South Vietnamese elections to be held on October 3.

There is growing concern that President Thieu's success in keeping his political rival, Vice-President Nguyen Cao Ky, out of the ballot might harm the democratic image which the United States is trying to foster about the Saigon regime.

Although President Nixon stands firmly behind President Thieu, and refuses to bow to demands by the North Vietnamese and Viet Cong to desert him as part of the price for a settlement of the war, American officials are known to be worried that the election campaign in South Vietnam may become a one-man show.

The only major figure to qualify so far to run against President Thieu is General Duong Van "Big" Minh, the so-called peace candidate. General Minh, who had been counting on having Vice-President Ky in the race to split President Thieu's military and hawkish support, is threatening to withdraw in protest against what he calls the President's blatant rigging.

Opposition groups to-day demanded that the former head of State, General Minh, quit the presidential election race because they claimed the voting would be rigged. Shouts of "Minh withdraw" came from a cluster of supporters.

Reuter

Split over Gorton widens

By Michael Southern, Australia Editor

SYDNEY, August 10.

THE SPLIT in the Government over the future of Defence Minister Mr. John Gorton widened to-day when two former ministers, Mr. Leslie Bury (Foreign Affairs) and Mr. Killen (Navy) both spoke in support of Mr. Gorton. But a strong block of anti-Gorton Ministers and party members are known to be urging the Prime Minister, Mr. McMahon, to act swiftly and sack Mr. Gorton.

The main point of contention over Mr. Gorton's article in the Sunday Australian last week-end was his suggestion that cabinet ministers told secrets to their wives.

AUSTRALIA

Rockets for the prospector

BY DAVID FISHLOCK, SCIENCE EDITOR

THE AUSTRALIANS are planning to use rockets in their search for new mineral deposits. Recent developments in a technique practised by a few canny prospectors since the start of the last century leads them to think that the rocket affords, as one scientist puts it, a "great sky-hook for a camera."

What has turned their thoughts in this direction is work in the past year by a team led by Prof. Monica Cole, of Bedford College, London. It was assisted by £70,000 from the British Government, and logistic support from the Australian Bureau of Mineral Resources. Prof. Cole's subject is geo-botany, a study of the way plants can provide intimate knowledge of the earth beneath them. What is new is the method Prof. Cole uses for remotely surveying vegetation for tell-tale signs of the minerals it may conceal.

Last century

Plants have a long history as indicators of useful deposits of minerals. In Australia the pink *Polycarpae spirolstylis* was recognised as a copper indicator by prospectors in Queensland late last century. In the late 1930s both Germany and Russia pursued the approach, and in the 1950s the Americans used it to assist their search for uranium.

Vegetation can serve as a pointer to mineral deposits in several ways. For example, the presence of an anomalous plant may suggest an acid soil, indicative of a sulphide ore. The absence of plants common in the surrounding area, however, may suggest soil too toxic because of its high metal content.

Such means have been used to locate commercially attractive lodes in many parts of the world. Anglo-Transvaal Consolidated Investment Company's exploration for copper in Botswana and South-West Africa by geobotanical techniques led the Financial Times to call it the "flower company." In this case the techniques were assisted by photographs from space, taken by the Gemini 5 astronauts. They pointed the way to remote-sensing methods Prof. Cole tried out earlier this year in Australia.

"It occurred to me," says Prof. Cole, "that we might sense these anomalies from the air. This might give us a lead into areas with the right geological structure." She chose a region she already knew well, the Mount Isa-Cloncurry area of Queensland. Her target was a region of relatively undisturbed vegetation, which she studied both from the ground and by aerial survey at heights of 6,000 and 15,000 feet.

Assisted by a physicist from Bedford College, Dr. Owen Jones, she used the linescan technique developed for military surveillance, which produces a continuous infra-red film by scanning the terrain from side to side as the aircraft flies forward. She also photographed the terrain in the visible regions, and by so-called "false colour" photography, yielding all told nine different spectral signatures of the vegetation. "The range of tones is so subtle," says Dr. Jones, "we cannot use names so we use a density scale."

The work was delayed by heavy rains in March, but one consequence was a particularly lush vegetation, all the more revealing of the stresses induced by toxic metals picked up from the soil. "Some of our infra-red imagery has produced colours we certainly have not seen elsewhere," Prof. Cole commented, before returning last week to Australia. The copper indicator plant, for example, is revealed very clearly by infra-red photography, as very pale patches contrasting with its much darker surroundings. This is a species in which the Australians already have enough faith to investigate wherever it is found.

But the heavy rains in the region in March did more than just enhance plant growth. It caused a great deal of very spectacular erosion, creating fresh areas of toxicity—new geobotanical anomalies, devoid of one species or rich in another.

This remote surveillance is now being correlated with work on the ground—on the distribution of vegetation around the five anomalies they investigated, on soil analyses, "in fact on the whole inter-relationship of environmental factors." These are early days yet but there is no question that Prof. Cole and Dr. Jones are excited by what they have learned.

The five anomalies in the Mount Isa-Cloncurry region relate to concentrations of copper, silver, zinc and lead. On their precise significance Prof. Cole is coy. She has, she admits, been "pretty fully occupied" lately for commercial interests and "I don't want people following me around."

As in all mineral exploration, she says, it is 99 per cent interpretation, but the new remote sensing technique is "the quickest, the easiest and the cheapest method to use if you know how to use it."

The studies this spring were made with the help of Fairey Surveys, using infra-red linescan and a new approach to multi-spectral photography in which four small 70 mm Vinten cameras film simultaneously from a common control system. But the Australians are now examining the possibilities of four different kinds of aerial platform for remote sensing: aircraft, rockets, balloons and satellites. Of the four they believe the rocket may have greatest potential.

Single flight

A small research rocket, an Australian scientist explained, could photograph an area roughly 500 miles square—say, four-fifths of the area of Britain—in a single flight, for one-quarter to one-fifth of the cost of a survey by aircraft. Its camera would be ejected and make a soft landing.

Thus in the space of a four minute flight they would obtain a synoptic view, from a height of say 100-400 kilometres. An "instant" picture of this kind would afford other advantages besides mineral prospecting. Infra-red could reveal to the day when wheat would be ready for harvest, or pinpoint the grazing grounds of Australia's 500,000 wild cattle. "So we've set our laboratories the problem of producing a platform that gets in the data—then disappears."

India, Pakistan agree on diplomats' repatriation

NEW DELHI, Aug. 10.

INDIA and Pakistan have reached agreement on the repatriation of the staff of their respective missions in Dacca and Calcutta, closed since April. The exchange will take place on Thursday, foreign office sources said here to-day.

Officials of the Indian deputy high commission in Dacca will fly to New Delhi in two aircraft, Swiss and Russian, and diplomats from the Pakistani deputy high commission will return from Calcutta to Dacca or to West Pakistan in an Iranian aircraft, the sources said.

Swiss diplomats who mediated between the two governments on the vexed repatriation issue after several rounds of direct talks failed will supervise the exchange.

Reuter

Our Karachi Correspondent writes: The Pakistan People's Party chairman, Mr. Z. A. Bhutto, resting after a hernia operation last week told reporters here political activity should be restored to counter "baseless and malicious" Indian propaganda and to inform the people about Indian intrigues against Pakistan. He said that because of Press censorship and the ban on political activity, political leaders had been isolated.

Reports of the Indo-Soviet treaty were received with great surprise in Pakistan. Officials in Rawalpindi would not offer any comment until they have received a detailed report of its provisions.

In Geneva, the International Commission of Jurists protested to-day to President Yahya Khan against the coming military trial of East Pakistani leader Sheikh Mujibur Rahman being held in secret.

And in Washington, 11 U.S. senators to-day urged the State Department to convey to Pakistan their hope that compassion would be shown to Sheikh Mujibur Rahman. The senators included the Democratic chairman of the Foreign Relations Committee, Mr. J. William Fulbright, and two Democratic Presidential hopefuls, Mr. Birch Bayh and Mr. Fred Harris.

Hope of Nixon visit to Japan before China

BY OUR OWN CORRESPONDENT

TOKYO, Aug. 10.

JAPAN intends to consider inviting President Nixon to make an official visit only after consulting the Japanese Ambassador to the U.S., Nobuhiko Ushiba, a Government spokesman said here to-day.

The comment came from chief Cabinet Secretary, Noboru Takeshita, who was remarking on a New York Times editorial which called on the American President to visit Japan before flying to Peking. But Mr. Takeshita said the Japanese Government most certainly would welcome a visit by President Nixon.

Apparently, the Japanese Government currently has not been considering any plan to extend an invitation to the U.S. President. But the Chief Cabinet Secretary added that this does not mean that the Japanese Government sees little possibility that such a plan might materialise. Ambassador Ushiba is scheduled to return to Tokyo on August 22.

However, it is considered most likely by responsible Government sources that Japan will extend such an invitation to Mr. Nixon during the next meeting of the Cabinet-level Japan-U.S. Joint Committee on trade and economic affairs set for Washington on September 9 and 10. As the Japanese Government sees the situation, a visit by President Nixon at this time would greatly assist in smoothing over rapidly deteriorating relations between Washington and Tokyo. These relations, already going down hill at a swift pace because of economic factors, have been affected by the American President's recent announcement that he intends to visit Peking.

Prime Minister Eisaku Sato's bitter reaction to Mr. Nixon's move to travel to the China mainland makes it imperative that a serious attempt be made. Otherwise, as Japanese politicians believe, there is a definite chance that the embarrassed Sato Government might fall before Mr. Nixon even arrives in the Chinese capital. In this event, the price of total American disregard for Japan's Government in establishing a rapprochement with mainland China would come exceptionally high.

Indonesia fails to get "untied" aid

BY OUR OWN CORRESPONDENT

DJAKARTA, August 10.

ATTEMPTS to persuade Indonesia's creditors to agree to a general "untying" of foreign aid have run into difficulty owing to the negative attitudes of several donors.

So far only West Germany has actually taken the step of untying its credits. But the West German Ambassador, Mr. Richard Balken, has indicated that loans may have to be "retied" unless other nations follow suit. Mr. Balken has declared that West Germany "cannot be the beneficiary of the whole world"—a reference to the fact that untied German loans may be used to finance imports from other countries than West Germany itself.

Apart from West Germany, the Netherlands has agreed in priniple to untie its aid but this is conditional on other donors following suit. In the meantime, Japan has indicated that several legal obstacles have to be overcome, while France has totally rejected the idea of untying its aid. This was made clear at the last meeting in Rotterdam of the Inter-Governmental Group for Indonesia, although it appears that the French decision was al[so] made known outside the form[al] sessions.

Indonesia has pinned gre[at] hopes on the benefits of untyin[g] aid, which would have allowe[d] it to obtain the best value f[or] aid dollars by spending them i[n] countries offering the most com[]petitively priced products. La[st] December's unification of Indo[]nesia's foreign exchange ra[tes] which eliminated the old speci[al] rate for credit foreign exchang[e] was undertaken with untying i[n] mind. Under the old arrange[]ments, the credit foreig[n] exchange rate stood at 3[] rupiahs to the dollar compar[ed] with the "general" rate of 3[] The untying of foreign aid at t[he] special rate would have rai[sed] the prospect of donor countr[ies] providing an exchange subsi[dy] for purchases from th[eir] countries.

Kenya imports rise rapidly

By Our Own Correspondent

NAIROBI, Aug. 10.

THE Kenya Central Bank's quarterly review for January-March, 1971, published here to-day shows that imports increased by 21.4 per cent. during 1970 over the previous year and that exports rose by 13 per cent. over the same period to 77.45m. shillings (about £89.84m.)

The report notes that as imports continued to grow at a faster rate than exports Kenya's trade deficit rose from 31m. shillings (about £35.96m.) in 1969 to 48.66m. shillings (about £56.44m.) at the end of 1970. The bulk of Kenya's exports went to Europe, reflecting the strong ties between Kenya and the European countries. Due to improvement in prices of world markets the coffee exports fetched a record 22.26m. shillings (about £25.82m.), the largest annual sum of foreign revenue earned in the history of the Kenya coffee industry.

Foreign exchange reserves of the Central Bank continued to expand during the first quarter of this year to 77.7m. shillings (about £90.04m.) an increase of 5.5 per cent. on the previous quarter.

Japan plans to remove lead from petrol by 1974

BY OUR OWN CORRESPONDENT

TOKYO, August 10.

JAPANESE Transport Ministry officials have set the country a goal of removing all lead from petrol by 1974, it was learned here to-day. In the meantime, Japan's engineers are hard at work developing a catalytic converter which will absorb hydrocarbon and nitrogen oxide in automobile exhaust gas for use until all the lead has been removed. But neon signs may undo all the ministry's work.

As of July 1, 1970, Japan cut in half the amount of lead additives allowed in high-octane petrol to only about one cubic centimetre in a regular petrol.

These moves have been taken to reduce air pollution in Japan's major cities where traffic is just as heavy as in Britain. The Japanese believe that a catalytic converter is absolutely necessary because a new exhaust gas problem may arise if some aromatics are added to petrol by the makers instead of lead in order to maintain the high value of octane.

But despite the elimination of roughly half the lead content in Japanese petrol, pollution of the air is continuing in Tokyo and other big cities of Japan. This is something of a mystery. The Japanese do not know why air pollution caused by motor-car exhaust fumes is continuing to be a serious environmental hazard.

The smog

Although the Japanese have yet to establish a control mechanism to check the sale of leaded petrol—to see that the petrol companies are complying with the new regulations—they feel that the petrol firms are complying with the regulations. The new air pollution is known as "photo-chemical smog." It is supposed to be caused by the working of ultra-violet rays of sunlight. However, tests have shown that the smog is somewhat worse at night.

This has brought suspicions here that removal of half the lead content from petrol may have conversely resulted in an increase in other harmful materials. Also, some Japanese experts are beginning to look at the ultra-violet rays emitted by the colourful neon signs in the major cities.

The Japanese believe that these neon signs may be contributing to the smog situation by causing photo-chemical reactions. At the present time, the Japanese scientists are baffled by the continued threat to the health of citizens in their largest metropolitan areas.

Apparently, lead is only one small factor and its elimination by 1974, in the current Japanese view, may not solve even a small percentage of the problem of air pollution. Noted one Japanese scientist engaged in smog research to-day: "We are going to have to go back to square one and start all over again."

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● RESEARCH

Pollution control

GREAT progress has been made in the design of a mercury-based chlorine plant in Sweden so as to reduce to a very low level pollution of the environment through release of water contaminated with this heavy metal.

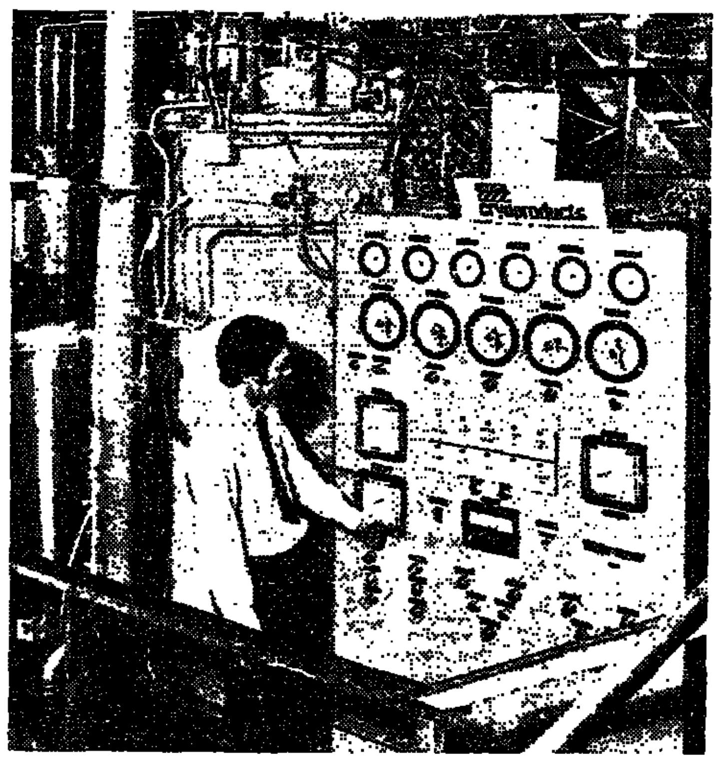
The plant is KemaNord's new 90,000 tons per year facility at Stenungsund, first of its kind in Sweden and possibly in the world to have been designed and constructed with the express aim of cutting down mercury release. The background to its development was the discovery in the mid-1960's that certain areas of Sweden were so contaminated with mercury that fish caught in local rivers and lakes were not fit for human consumption. The country's chlorine industry was blamed.

When KemaNord applied to the Swedish Water Court in 1968 for a permit to build the new plant, permission was granted after a long debate subject to the proviso that the plant should not release more than 50 kilos of mercury to waste streams per year at the operating level of 90,000 tons of chlorine. The reduction this entailed can be judged by the fact that emission of 30 to 40 grams of mercury per ton of chlorine produced was previously considered normal for a plant of this kind. In other words, the Court was demanding a vast reduction in the discharge of the poisonous material which entailed heavy responsibility on the part of the designers.

The design and construction was undertaken by Friedrich Uhde GmbH in cooperation with KemaNord. Many new details were included, the most important being strict segregation and extensive re-use of water contaminated with mercury and special treatment of floors to provide central drainage.

The plant has been in operation long enough to judge whether the design objectives have been reached and the company claims that this is the case since discharge in a four-week period has stabilised at between ½ and 1 kilo.

Full details of the design and operating experience with the plant are being published in the forthcoming edition of the Journal of Applied Electrochemistry.



A low-temperature helium refrigerator of the type shown here is to be built by British Oxygen Company for the International Research and Development Company, Newcastle-upon-Tyne. It will form an important section of the equipment to support a one-Megawatt generator-motor system using superconducting field coils to obtain an extremely compact layout. This motor is under construction by IRD under contract to the Ministry of Defence and after shore tests, it is to be fitted to a ship for sea-going trials. This is the fifth contract for equipment to be used in liquid helium work won by BOC.

Indicates oxygen

PORTABLE version of the ersh oxygen meter is now available from Engelhard Industries, alley Road, Cinderford, Gloucs.

It is additional to a range of existing meters used in industry for the monitoring of operations carried out in an oxygen-free atmosphere, the control of oxygen processes where excess oxygen could be a hazard and the monitoring of flue gases. All these are based on an original design developed at AWRE Aldermaston.

The new instrument is only . lb in weight and can be applied in the most confined areas of any plant. Rapid readout of oxygen concentrations are provided and the inclusion of nickel-cadmium batteries allows the unit to be operated for several weeks at maximum oxygen levels and with frequent calibration prior to recharging.

Four models are on offer, permitting varying oxygen concentrations in a variety of gases, including acetylene, to be measured. They cover the ranges 0-10, 0-100 and 0-1,000 vpm.

Performance characteristics are such that the manufacturer has applied for a certificate of intrinsic safety in inflammable atmospheres.

The company is a licensee of the AEA for manufacturing oxygen concentration meters of the electrochemical cell type in which the cathode is exposed to the gas under test.

Automatic assays

AUTOMATIC micro-biological assay is possible with the Quantimet 720P from Image Analysing Computers of Melbourn, Royston, Herts SGS 6EJ.

This equipment, just launched, provides greater accuracy and higher speed of measurement to give quantitative assessment of exhibition or inhibition zones, or of total colony count.

A series of units are available under the general name of Petriscope Systems, intended for application in the production of antibiotics and bacteriological materials.

They will measure all zones or count colonies on an entire petri dish surface in as little as 10 seconds. They then print out fully computed results, such as potencies, analyses of variance and so on in standard form.

The basis of the operation is optical contrast and the system is capable of discriminating as many as 30 discrete contrast bands for colony counts and increased contrast between the zone and agar is provided by an opacity graticule developed by the Medical Research Council.

Area and count measurements are displayed on a TV screen and on-line processing of data is possible using the Hewlett Packard 9100B calculator system. A teletype with paper tape punch can be applied when off-line working is required.

● MATERIALS

Glass fibre laminate tubes

GLASS FIBRE continuously wound in a roving form, with synthetic resins to form a laminate, is heat cured to produce tubing of high strength to weight ratio in a variety of colours and diameters.

The maker suggests that the chemical resistance, anti-corrosive and electrical insulation properties of the tubing make it suitable for ducting and pressure piping in textile applications, effluent disposal, pnuematic cylinders, etc., as a replacement for steel, aluminium, or other forms of metallic tubing and piping.

Called Filglas, the tubing is the latest product of TPT, Romiley, Stockport, Cheshire SK6 4DY. The maker claims it is about seven times as strong as its equivalent weight in steel, with high resistance to internal and external radial burst or crush pressures; high beam strength; high longitudinal or axial strength; and all the other advantages associated with glass fibre products.

Car seat system

A SUSPENSION component for car seats which it is claimed will greatly improve motoring comfort has been introduced by Pirelli.

Called "Expanweb," it comprises straps of resilient webbing—a textile damped rubber spring—arranged across the length and breadth of a lightweight subframe of high tensile wire. The straps are positioned at fixed angles to provide "soft spots" under the posterior and thighs—affording maximum comfort.

Devised after close technical liaison with British Leyland and Chrysler, Expanweb is said to enable car designers to "tune" front and rear seat suspension to vehicle suspension—within the confines of low slung superstructures, for the first time.

Barium to trap gas

FINELY divided barium metal is available for low-temperature vacuum pumping or maintenance. The highly reactive metal is useful in removing unwanted gases from vacuum systems but in the past it had to be heated electrically before it could become effective.

Now Linde Division, Union Carbide Company, of Tonawanda, Penna., U.S., offers the very fine powder which it says is reactive at room temperature. It comes packed in argon at atmospheric pressure to protect it from air.

The material is particularly active with hydrogen and will take up nearly three times as much hydrogen as it will oxygen. It comes in the form of a greyish-black powder but it is also available in denser tablets.

One great advantage of the powder, says Linde, is that it can be introduced into a vacuum system and will maintain it without further attention as long as its reactive capacity is not exhausted.

Footwear adhesive

ALLOWING moulding from 15 minutes to seven days after application, a one-can, super-reactive polyurethane injection moulding adhesive developed for the footwear industry can be used on full chrome leather, pvc coated fabrics and poromerics.

Manufactured by Dunlop's Chemical Products Division, Birmingham, the adhesive (Dunlop S.1510) meets the standards of performance laid down by the Shoe and Allied Trades Association.

● COMPUTERS

Girls in Minis speed data

WORK overload, sickness, holidays, staff shortages—all are very likely to hold up data preparation in a DP organisation. Problems such as these can now be solved says Mobility of 787, High Road, London, N.12, by using the service offered by the company's team of girl DP operators.

Mobility claims that, equipped with their own Mini cars, the girls can within hours of a telephone call be working on site under the client's supervision. Each girl is a highly experienced and competent data processing operator and, says the company, can provide a service far more efficient, effective and error free than a "temp" or a bureau.

Each of the girls is specially selected and given tests for speed and accuracy to keep them at a high level of efficiency. To ensure this each client is asked to fill in a form giving details of performance with reference to time-keeping, accuracy, speed and adaptability.

Mobility plans to double its staff to 20 in the coming year.

Modular service

BY BREAKING DOWN programmes into a number of definable segments—or modules—treating each one as a separate and independent programming problem, it is possible to make more accurate cost estimates of the work in hand and gain better management control over projects as well as provide routines which are easier to modify when required.

ICL Dataskil, which claims to be Britain's largest software service company and is a major contributor to the revenues of its parent, has announced a modular programming service (MPS) for users of 1900 series computers.

The company has set up what it calls a modular test bed designed to test programmes written in Cobol, Plan and Fortran, or a mixture of these. It will automatically generate groups of tests, confirm results, simulate faulty or unwritten modules and gives comprehensive diagnostics. Most programmers can use the service after some two hours training.

The testbed, which is an integral part of the MPS, can be used with any computer having 32K of store plus a paper tape or card reader and an output printer. It allows many tests to be carried out in a single run.

● By agreement between the Financial Times and the BBC information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.

● COMMUNICATIONS

Lightweight headsets

MICROPHONE-receiver headsets weighing less than 2 ounces have been put on the market by Van Dusen Aircraft Supplies Company of Oxford Airport.

Developed by Pacific Plantronics of the U.S., the headsets are available in three types—for switchboard operators, with the emphasis on clear reception, for switchboard supervisors and communications controllers, and for airport tower and air traffic control personnel.

For maximum comfort over long periods of time the headset has been designed without a conventional headband and even in relatively high ambient noise conditions, says Van Dusen, it gives a clear and intelligible performance. Background noise—including adjacent conversation—is effectively subdued by a built-in acoustic noise suppressor and a switch-gain amplifier.

The slim transparent voice tube is infinitely adjustable to fit any face shape and an interchangeable earpiece is available in six sizes to ensure a perfect fit and a high standard of hygiene.

To give maximum mobility the Starset is equipped with a lightweight retractile hook-up cord which allows the wearer complete mobility in a 10-foot radius.

● INSTRUMENTS

Multipoint strip-chart recorder

A TWELVE-channel strip-chart potentiometer—the ElectroniK 5111—has been introduced by Honeywell, of Charles Square, Bracknell, Berks. Having front panel dimensions 10½ x 9½ inches, it will operate in ambient temperatures up to 60 degrees C, is shock resistant, and completely Faraday-shielded against AC stray effects. An enclosed platinum alloy slide-wire provides maximum protection against corrosive atmospheres.

The instrument has solid state converter and transistorised circuit boards, and major electrical sub-assemblies, such as the range card, constant voltage unit and amplifier board, are provided with easily released plug-and-socket connections.

The recorder is suitable for monitoring any industrial process variable that can be converted into a dc millivolt signal.

● PROCESSING

Faster to a low vacuum

HIGH vacuum can be reached more quickly by actually releasing molecules into the vacuum vessel while pumping is going on.

Systems with an outgassing electrode increase pumping speed 50 per cent., claims Veeco Instruments, of Terminal Drive, Plainview, N.Y., U.S. Speed is said to be constant over a wider range when the ion pump is used in the range of 10^{-3} to 10^{-10} torr. In addition, the pump's actual physical size is smaller so that less cabinet space is required.

Veeco explained that pumping speed drops as pressures become low because there are fewer molecules to be ionised. To solve this problem, one titanium electrode is replaced by a composite cathode. The composite has a high vapour pressure and somewhat similar characteristics to titanium.

However, it actually outgasses during the pumping and supplies enough molecules to increase ionisation. It does not outgas enough to raise the pressure in the vacuum chamber, however.

Centrifugal analysis

CENTRIFUGE methods applied to chromatography can provide better resolving power without any chemical change in the samples. In fact, claims Sorvall, Inc., of Pearl St., Norwalk, Conn., U.S., resolution is so good that it sometimes shows components which cannot be detected otherwise.

In the Sorvall method, fine-grain silica adsorbents are packed into chromatography columns and centrifuged. The sample is then put in the packed columns and they are spun again. Variations in the density of the components make them move at different rates along the columns under the influence of centrifugal force.

Sorvall says seperation time is only 6 to 15 minutes. A 3mm column will take a 10 millilitre sample and the 8mm column a sample of 50 ml. Glass columns are protected by stainless steel guards for greater safety and convenience.

Proposed new system for SE settlement

BY SANDY McLACHLAN

THE PRESENT system of settling Stock Exchange bargains costs member firms between £20m. and £25m. a year to operate. In addition, it imposes severe peak work loads which involve heavy demands on staff.

The cost of the current system is disclosed in an interim report from the Stock Exchange on a new system for settlement. The report has been carried out by the Stock Exchange Directorate of Information Systems and Settlement, and is designed to follow up the controversial conclusions *of the Heasman* Committee Report, and the subsequent report of the special committee on the Heasman Report (the Radcliffe Committee).

Basically the interim report endorses the Radcliffe conclusion that a daily account, as suggested by Heasman (and normally referred to as the daily rolling account), is not feasible. However, the interim report outlines a compromise solution incorporating many of the Heasman recommendations, but which could be applied to a weekly or fortnightly account.

Radical changes

The new system, as outlined in the interim report, requires *the setting up of an administra*tive centre which will take over many duties currently left to brokers and jobbers. This will involve radical changes from the current system, including the disappearance of tickets.

However, there will be a considerable number of advantages to the proposed new system. It is expected to reduce the cost of settlement and also to reduce the effects of peaks in Stock Exchange activity. This in *turn will make small business* more profitable (or, possibly, less unprofitable) and should reduce staffing problems which member firms currently face.

The proposed system should enable the service to clients to be improved and speeded up and, at the same time, render *the settlement process more re*liable.

The Stock Exchange Council has told the directorate to continue with its studies to explore the system in greater detail. This is expected to take some six months. One aspect which will be explored with member firms and other interested parties is just how much the cost saving could be expected to be.

Implementation of the suggested system could be expected to take between three and five years, and would involve certain legislative changes.

In order to assist the investiga*tion member firms have been re*quired to return a questionnaire on volume of business and cost of settlement. From this the Stock Exchange calculates that *the total working population of* the Stock Exchange is something in the region of 15,000 to 17,000 people.

Bargains in 1970

Other parts of the questionnaire indicate that the total number of bargains transacted in 1970 was just over 5.6m., of which 4.3m. were in British registered securities other than gilt-edged stocks. Gilt-edged stocks *and other fixed-interest trans*actions for cash amounted to 577,000 bargains, overseas and bearer stocks for 582,000, and new issues for 129,000.

Up to 66 per cent. of all bargains were on behalf of private individuals, either directly or through clearing bank business, *while institutional business* accounted for 12½ per cent. of bargains. Some 40 per cent. of all bargains were for less than £500, but the 20 per cent. of bargains over £2,500 accounted for 80 per cent. of turnover in clearing stocks.

Appledore wins its biggest order yet

BY JAMES McDONALD, SHIPPING CORRESPONDENT

APPLEDORE Shipbuilders of North Devon, a subsidiary of Court Line, has won its largest *order so far*—a £4.5m. contract to build two 4,490 deadweight ton "mini" containerships for Manchester Liners.

Both will be built in Appledore's *totally enclosed shipyard and will* be delivered during 1973. They are expected to be used on Manchester Liners' existing trades.

This contract brings Appledore's *order book to £12½m., the highest* in the yard's short history under Court Line. In addition, the order book includes *four hopper barges* for Brazil; three sand dredgers for *Amey Marine; two coastal tankers* for Bowker and King; a small containership for Crescent Shipping; and four coastal tankers for Shell-Mex and BP.

"Ideal size"

Mr. James Venus, managing director of Appledore, said yesterday: "We are delighted with the order from Manchester Liners because it enables us to use our new building dock in the most efficient way possible. The vessels are an ideal size for building side by side."

He revealed that the ships had been contracted for at a fixed price, in contrast to the present *general practice* in U.K. and most European yards of demanding escalation clauses. But he believed there was a minimal risk in taking work at a fixed price: *the yard had taken into account* the fairly short delivery period involved and estimated the possible inflation in costs and wages over the period. Also, there was *a good relationship between man*agement and labour.

Appledore, he added, now had a full order book up to October, 1973, and would not quote for *further contracts except for deli*very end-1973 and onwards. "We are not looking for any new orders for two or three months."

The yard, it is believed, is now operating on a *basis* of at least 10 per cent. profit a ship "and usually getting it." Appledore now has about a £5m. a year turnover.

Mr. John Young, Court Line's managing director, commented: "We anticipate that Appledore will become increasingly profitable *as the full effects of the new* covered dock become felt. With our *ship-repairing subsidiary*—North East Coast Shiprepairers—currently operating at near full *capacity and our consultancy* association with Austin & Pickersgill (the Sunderland shipbuilders) showing great potential, I *think* a new force in Britain's shipbuild*ing and ship-repairing industry* can now be said to be emerging."

The Manchester Liners' small containerships are expected to be used in the company's existing trades—perhaps in Canada and in the Mediterranean as "feeder" ships to ocean-going container vessels. Each will have a speed of 15½ knots, a range of 4,500 miles, and space to carry 261 20-foot containers.

It is believed in some shipbuilding circles that this type of "mini-containership" has a future in many parts of the world as feeder-vessels to and from "main-line" container terminals.

Labour Party organises 13 anti-Market rallies

BY PHILIP RAWSTORNE

THIRTEEN major rallies have been organised throughout the country as part of the Labour Party's plans for an intensive anti-Common Market campaign next month.

Mr. James Callaghan will lead the drive against entry into the EEC *on the terms negotiated by* the Government. This will be launched at Bradford on September 8 and culminate in a mass rally at Westminster on October 18—the day Parliament reassembles.

Mr. Wilson will not speak at any of the rallies, but will *address the Party Conference on* the issue early in October and later speak both at the meeting of the Parliamentary Labour Party and in the Commons debate.

Mr. Callaghan, the main speaker at both the first and last of the rallies, will also speak at three others—in Newcastle-upon-Tyne, Cardiff and Portsmouth. At Cardiff he will be supported by Mr. Jack Jones, of the TGWU.

Mr. Anthony Wedgwood Benn, who will address a rally at Nottingham, will also be among the speakers at the Westminster rally, as will Mr. Vic Feather, general secretary of the TUC.

Mrs. Barbara Castle and Mr. William Ross will head the Scottish campaign in Glasgow and Edinburgh. And the other principal figures in the campaign will be Mr. Ian Mikardo, the party chairman, who will speak at Manchester and Gloucester; Mr. Denis Healey, at Norwich; Mrs. Judith Hart, at Chelmsford; and Mr. Peter Shore, at Wolverhampton.

As expected, Mr. Roy Jenkins, Deputy Leader of the party, and a committed pro-Marketeer, has not been invited to take part in the campaign.

Birmingham does not figure on the list, and Labour MPs believe this is deliberate policy—to avoid embarrassing Mr. Jenkins, who is a Midlands MP.

Mr. Edward Taylor, who resigned from the Government over the entry issue, said last night that the regional policy now being considered by the Common Market Commission could have "savage repercussions" on the pattern of regional aid in Britain.

APPOINTMENTS

Jackson the Tailor chief executive

Mr. P. F. Stewart has been *appointed managing director* of JACKSON THE TAILOR, a member of the Burton Group, in succession to Mr. M. D. Jacobson, whose resignation was announced *in November, 1970*, and who left the company at the end of April.

Mr. Stewart is at present managing director of the Bristol Myers Products and Clairol divi*sions, based* at Ruislip.

★

Mr. Trevor Russell has been appointed managing director of THERMO PLASTICS (GPG HOLDINGS) from September 1.

He succeeds Mr. Simon Whitmore, who is leaving the company to take up a post with Courage.

★

Mr. Richard England has been appointed a director of COMMON BROTHERS (MANAGEMENT) with special responsibility for its *commercial operations from* September 1.

Mr. Brian Simmons has joined the Board of LC SECURITIES (PROPERTIES) following a re*organisation of that company*. Mr. L. I. Casper remains chairman.

★

Professor J. F. Coales has been appointed president of the *INSTITUTION OF ELECTRICAL* ENGINEERS for the session 1971-1972. He is professor of engineering (control), University of Cambridge, and will take office as IEE *president* on October 1.

★

Mr. J. R. Scott has been appointed managing director of DUNLOP MALAYSIAN INDUSTRIES *BERHAD. He succeeds* Mr. D. McVey who has returned to Dunlop Australia to take up another appointment.

★

*Mr. Colin King has been appoin*ted foreign exchange manager for the London branch of the IRVING TRUST COMPANY.

★

Byron Jardine, a subsidiary of Dobson Park Industries, and the Mettoy Company, have formed a jointly-owned company called METTOY PETITE to distribute the Petite typewriter, which is manufactured by Byron Jardine. The directors are Mr. A. Katz, Mr. B. Lillyman, Mr. G. F. Brigginshaw and Mr. R. B. Hill.

★

The Board of STEPHENSON DEVELOPMENTS (HOLDINGS) has been reorganised following the acquisition of the company by the Austin-Hall Group. Mr. T. A. Maher, deputy chairman of Austin-Hall and a director of First National Finance Corporation becomes chairman of SDH. Other directors are: Mr. D. K. G. Morgan, managing director of Austin-Hall and Mr. V. L. Cain, chairman of I. Clifton and Sons (an Austin-Hall subsidiary). Mr. W. K. Scott continues as a non-executive director.

Mr. M. Britz, Mr. D. Robertshaw, Mr. T. H. Collins, Mr. G. A. French and Lord Granville of Eye have ceased *to be directors of the hold*ing company.

Mr. P. F. Stewart

The Boards of the Stephenson subsidiary companies have also been reorganised and the new Boards of Stephenson Developments (Huddersfield) and the *Grosvenor Hire Services* consist of Mr. V. L. Cain, Mr. D. Robertshaw, Mr. G. A. French, Mr. H. V. John, Mr. W. McNab and Mr. J. A. Hunter. The directors of the holiday camp subsidiaries will be Mr. D. K. G. Morgan, Mr. G. A. French and Mr. J. A. Hunter.

★

LOCKHEED BOARD POST FOR RB-211 NEGOTIATOR

Mr. Roy Anderson, 50, who has been *instrumental in negotiating* on behalf of LOCKHEED AIRCRAFT CORPORATION its new contract on the RB-211 engine with Rolls-Royce (1971), has now *been appointed senior vice-presi*dent, finance, and a member of the Board, of Lockheed.

Between last February and May, he visited this country four *times to help put the new RB-211* contract together. He succeeds Mr. Frank L. Frain, who retired from Lockheed recently.

★

Mr. D. S. Schreiber has retired as a director of the ELECTRIC AND GENERAL INVESTMENT COMPANY.

★

*Mr. Raymond Gedling, at pre*sent a Deputy Secretary in the Treasury, is to become a Deputy Secretary in the DEPARTMENT OF HEALTH AND SOCIAL SECURITY on the retirement of Mr. F. W. Mottershead. The appointment will take effect on October 22.

Mr. Gedling will be succeeded at the Treasury by Mr. Leo Pliatzky.

★

STOCK EXCHANGE PARTNERSHIPS

Sir Peter Troubridge and Mr. Stuart H. Wamsley have been taken into partnership with STIRLING AND CO., brokers.

Japan fears further pressure to revalue

BY OUR OWN CORRESPONDENT

TOKYO, August 10.

INCREASED pressure for a revaluation of the yen following the latest difficulties of the dollar is expected to come at the eighth meeting of the Japan-U.S. joint committee on trade and economic affairs.

The committee, which is at Ministerial level, is to meet in Washington on September 8 and 9.

Japan's approach to the problem is likely to be worked out at a meeting of Japanese economic Ministers in Tokyo on August 24.

But one prominent Tokyo banker said this afternoon: "The real intense pressure will be seen during the International Monetary Fund-World Bank meeting in Washington between September 27 and October 1. This will deserve our utmost attention, since we do not want to revalue our currency."

Monetary specialists here believe that if the Americans *do not succeed in getting revalua*tion of the D-Mark and the yen at the IMF meeting, they may go next for a wider band.

The Americans are said to believe at *least half the mone*tary problem will be resolved by a change in the parity of the under-valued yen. The Japanese are extremely sensitive on this issue, believing that the U.S. would like to revalue the yen currency as a means of striking at the mounting Japan-America trade imbalance which this year is expected to total more than $2,000m. in Japan's favour.

But other countries may support the U.S. in demanding yen revaluation, since Japan's balance of payments surplus this year is predicted to exceed $5,500m.

D-Mark up

Christopher Lorenz, in Frankfurt, reports: Pressure on the dollar persisted on the West German foreign exchange markets, and the D-Mark was 7.3 per cent. above its official parity at the midday fixing of DM3.4115. This compared with yesterday's DM3.4242. The Bundesbank made no sales.

In the afternoon the dollar improved to almost DM3.420 before falling to around DM3.410 at the close.

Fall in Rome

Peter Tumiati, in Rome, reports: The dollar closed officially on the Italian markets at Lire 620.69, which is just above the level at which the Bank of Italy is required to intervene. In afternoon trading it fell even further to Lire 620.50.

The Bank of Italy was reported not to have had to move into the market.

Swedish Lloyd to increase car service to Bilbao

BY JAMES McDONALD, SHIPPING CORRESPONDENT

SWEDISH LLOYD'S passenger-car ship Hispania will return "*partially*" to the company's Southampton-Bilbao (Spain) route from April 1 next year to augment its present service because of increasing business on the *route*.

The Hispania will support the Patricia on the route, but will still operate part of the time on the Tilbury-Gothenburg (Sweden) run.

Round trips

"In the past we have found *it difficult* to operate two ships on a year-round basis to Spain," Mr. Gunnar Nygren, managing director of Swedish Lloyd (U.K.), said in London yesterday. "However, our mini-cruises, our Autolloyd service and, of course, our now traditional individual passenger and car service is creating extra demand and this we will meet by having the Hispania operating part-time out of Southampton."

While the Patricia returns to Sweden in November for her annual overhaul the Hispania will take over the route for four round trips. And from April 1 the *Hispania will* alternate between Southampton and Tilbury as departure points, with a schedule of two round trips between Southampton-Bilbao followed by one round trip between Tilbury-Gothenburg every fortnight.

This will give an increased capacity of up to 6,750 berths a month on the Spanish service. Mr. Nygren estimated that this would increase the berth capacity on the route by about 50 per cent.

The Hispania was transferred to the Scandinavian service to cope with heavy freight demands. Swedish Lloyd has ordered in Spain two new 4,000-ton roll-on, roll-off ships purely for cargo; when delivered at the start of next year one will operate Tilbury-Gothenburg, partially releasing the Hispania for Southampton-Bilbao.

"The Southampton-Bilbao service is now a considerable success and we are beginning to even out the enormous peaks and troughs of high season and low season bookings," said Mr. Nygren. This may be one reason why Swedish Lloyd during the coming autumn, winter and spring has been able to announce that fares during these seasons will remain unchanged, despite the heavy rise in operating costs over the past year.

Rates warning

Minimum prices for the com*pany's "mini-cruises" have been* reduced from £22 to £19 for the off-season. "They help to fill the ship at a time when bookings are well below their peak and they *introduce* a lot of people to our ships and to Spain," said Mr. Nygren.

But he warned that, although Swedish Lloyd was holding its prices over the winter and spring, rates may have to rise for voyages from next summer.

"Increasingly shipping companies must become specialised tour operators rather than passive carriers, establishing market trends by forming consumer demand. This is what we are doing," Mr. Nygren said.

SPORT: EUROPEAN GAMES . . . YACHTING . . . CRICKET

Bedford loses but gives us something to remember

BY CLEMENT FREUD

HELSINKI, August 10.

THE SUN sank behind the stadium tower. *Photographers* began to take five-minute readings of their light-meters and the 20-kilometre walkers encompassed the stadium and set out for the open road—22 men closely bunched, heeling and toeing, grimacing fiercely—like a granny's nightmare of what she would *see when she* turned in grand-mother's footsteps.

Nihill exited in third place. Embleton lay sixth but a cricket pitch would have covered the lot. Javelins flew, a lady, whom I should hate to meet on a dark night, put the shot upwards of 20 metres and two of our three ladies qualified for further efforts in the 800 metres.

After five kilometres of the walk Nihill led, Embleton lay third and on the 10 kilometre mark, *reached in 44 minutes*, three men walked abreast: they included Nihill, excluded Embleton.

Meanwhile Lynn Davies qualified for the long jump final, *only* three centrimetres behind Lepse of Russia. Anita Neil passed into the 100-metre semi-final and somewhere in the bowels of the stadium D. Bedford gathered adrenalin.

If ever there was a time for sustenance, it was now. I queued *under a Nakkaja sign*—queued 23 minutes 18.6 seconds and came away with a 5p sausage. For the record I was run into by a boy selling Popkornia.

Back in the stadium a Russian leapt through the entrance to *take the 20-kilometre walk*; name of Nikolai Smaga; he was followed by Sperling, of East Germany, who pushed Nihill into third place. A second Soviet anthem to go with their female *shot put winner* and, as the last of the walkers came in, three dozen 10,000-metre men stripped down and limbered up—Bedford, Castro-like in a yellow hat, waving at friendly shouts.

For 3,500 metres it was Bedford and his training colleague Gustav Roelants who *led the field*. At 4,000 metres, ahead by the width of his thin body, he "kicked" into a four-yard lead, eased back to Haase, sprinted on. Memories of the epic Kutz-Chataway *battle of long* ago. Five thousand metres were passed in 13.54.4, less than one second a lap outside the European Games record for this distance.

Then in the back straight of the 15th lap they came at him; Vaatainen of Finland surged past, then Haase, the East German, then Sharafetdinof of Russia, Cisneros of Spain, Korica of Yugoslavia.

Bedford lay sixth, dropping back—Samson on his way to the barbers—and he loped for a lap and a half and we sighed in sympathy. Then incredibly he came back. Not with a lunatic sprint but resolutely like a thoroughbred who has taken a breather and pounds on to resume his rightful place. With four laps to go, the Spaniard, the Finn and the East German went past. But Bedford loped on, pegged them back and took the lead.

Two laps from the end the Finn and the Spaniard made another effort but at the bell it was Bedford—two feet ahead of the pack.

For sheer courage these 24 Bedford-dominated laps will not *be forgotten* but for our 21-year old champion the story has no ending. On the last lap, early in the back straight, that faithful gaggle of men in our runner's wake, the six who had watched Bedford's easy powerful stride for so long, struck with an astonishing turn of foot, and that was the end.

One *looked* back in vain for a kick, a comeback, an accelera tion of action . . . but he drifted towards the men he had lapped and the Finn beat the East German who beat the Russian who beat the Spaniard in as great a finish to as great a race as anyone could wish to see.

Significantly, this was in the land which might well be called the home of long-distance running. And so another Finn has *joined the immortals*; we have had another rendering of the Finnish anthem for victory gained in the third-fastest time ever over the distance 27 min 52.8 secs. *To put it another way* eight seconds slower than Bedford's best time.

The first day of an international six-day jamboree is a bit early for bouquets. But the high panic threshold and overall niceness of the Finnish people is likely to make this an immensely enjoyable event for spectators.

Currently, it is a bit too easy for people to go where they want rather than where they ought; official cars bear stickers, but *stickerless cars seem to be just* as welcome. As for the Press centre, there is a charming rule that it is "solely for Press and their friends."

I never knew we were so popular.

Britain set to win by 40 points

BY ALEC BEILBY

PLYMOUTH, August 10.

THE British team, captained by Mr. Edward Heath aboard Morning Cloud, has made up ground lost earlier in the Fastnet race, and as reports came in from the *Irish coast to Plymouth this morn*ing, it seemed that barring accidents they will win the Admiral's Cup by about 40 points from the Australians.

The veil of secrecy that seemed to surround the position of Morning Cloud yesterday as she approached the Irish coast was lifted once she had rounded the Fastnet Rock *in* the early dawn to-day and headed for home.

At the Rock she lay sixth on handicap in the Admiral's Cup fleet with Bob Watson's Cervantes IV in first place and Arthur Slater's Prospect of Whitby eighth.

The Australians, who had such *justifiably high hopes when their* yachts Ragamuffin and Koomooloo were calculated to be second and fourth, had these hopes dashed when Salcia II, the largest in their team, *was found to be 14th*.

There were still Australian hopes that Ragamuffin may be first *rather than second* as well as overall winner of the race on handicap, but this change would make little difference to the Admiral's Cup result.

Stealing a full share of the glory at Plymouth to-day was Ted Turner's American Eagle, the 12-metre yacht he rescued from the America's Cup scrap-heap and now campaigns *around the world* as an ocean racing yacht.

She surfed home to Plymouth this evening at more than 12 knots to break the course record for the 650 miles by 2¼ hours, averaging an amazing 8.5 knots for the straight line distance—amazing because she must have sailed much further than the 650 miles as she tacked down the English Channel and beat across from the Scillies to Ireland.

Apart from breaking Baron Edmond de Rothschild's 1965 record, she collects the Elizabeth McCaw trophy for rounding the Fastnet first and the Erivale Cup for the first yacht home.

A little more than two hours astern of her and approaching Plymouth while closing the three-hour gap that lay between them at Fastnet came Alan Bond's Apollo.

Mr Bond, from Perth, Western Australia, was not selected for the Australian team but came to Britain to experience the British offshore circuit. While in Britain with his yacht and crew he has found American Eagle and *Sir Max Aitken's Crusade* healthy rivals both inshore and offshore.

The competition between American Eagle and Apollo on a boat-for-boat basis rather than on handicap was one of the highlights of this year's Cowes Week, Apollo beating the Eagle by a mere 20 seconds in one race.

Over the Fastnet course, American Eagle had the edge on the way out to Ireland but on the way home the Australian claim that Apollo is unbeatable downhill were *proved* correct. She and Crusade, another downwind flyer, were both still a threat to American Eagle even though she held such a commanding lead at *the Fastnet Rock*.

The wind for the closing stages of the leaders' final dash to Plymouth freshened healthily from the west, but gusts in the rain *squalls that swept the West* of England will be the main worry aboard the Admiral's Cup yachts and other competitors in the race.

Yachts rushing downwind under maximum *sail through the* large Atlantic swell are subjected to considerable strains. It will be the ability of the British crews aboard their three team yachts to anticipate the problems *before* they arise that will either win or lose them the Admiral's Cup in the closing stages of the contest. The retirement of a British yacht *now will certainly mean that* the cup goes to Australia.

Final Test prospects

BY TREVOR BAILEY

OLD TRAFFORD, August 10.

HEAVY RAIN came to the rescue *of India and play* was abandoned for the day without a ball being bowled, saving them from almost certain defeat. This means that England require a victory at the *Oval* next week *if* they are to win the series—the same position as against Pakistan at Leeds earlier this season. What are the chances of England repeating that performance? Assuming that the weather holds, they *should be capable of beating this* promising Indian team, which is *short of* both experience and pace bowling.

FINAL SCORES
England 386 and 245—3 dec.
India 212 and 65 for three.

Despite England's good per*formance in the second Test*, apart from that first morning, there are likely to be a few changes which should strengthen the side. Providing he is fit, Boycott will obviously return in place of Jameson. Gifford, as a result of his injury will obviously be unavailable, so that Underwood will presumably be recalled. This can hardly be said to weaken the team as, in the view of the vast majority of first-class cricketers, Underwood is the best left-arm spinner in the country and, on a helpful pitch, easily the most effective.

Personally, I would like to see Snow brought back to partner Price with the new ball, and Lever as the third seamer. India are *noticeably uncomfortable* against sheer speed, and Price and Snow in double harness are likely to provide considerable problems even on the easy-paced Oval wicket, while Lever is a more penetrative fast-medium bowler than Hutton.

Although Fletcher did not *have an outstanding match*, he just about did enough in the second innings to justify retention. In addition, it is not desirable to include an original choice *for only one game. Jameson*, it will be remembered, was selected as a replacement for Boycott.

The remainder of the England *team really picks itself*, but *it* was satisfying to see Edrich, who has had a lean spell in Tests of late, batting in something like his true form in the second innings, while Knott was outstanding behind the stumps.

It is difficult to see how India can improve their team to any great extent, although Mankad's place must be in jeopardy. I therefore confidently anticipate an England victory at the Oval, unless the pitch should be very, *very slow and favour spin*.

BEA "running at loss" from Birmingham

BY OUR OWN CORRESPONDENT

BIRMINGHAM, August 10.

ALL BEA services from Birming*ham Airport are running at a loss*, Mr. Henry Marking, the airline's chairman, said to-day. He was speaking after a meeting of the West Midlands Advisory Council *for Civil Aviation* here.

The meeting was called to study the situation following the recent BEA reorganisation which divided the airline's activities into 10 divisions, each of which will ultimately have to be self-supporting. Birmingham comes under the Channel Islands division.

Mr. Marking said that the airport would be given three years to see if services could run at least at the break-even level; he was confident that it would be able to do so.

London service

The London service alone was likely to lose £218,000 in the current financial year, he said.

While it was important for BEA *to be profitable as a whole*, there were certain areas of operations—Channel Islands, Scotland and short routes inside the U.K.—which had been losing money for years.

They were not going to become profitable overnight and the aim must be to make them break-even over a three-year period—although it would be unreal to apply the same considerations to the loss-makers that applied to the profitable services, such as Continental services from London.

Mr. Marking added that he would be making fresh representations to the Customs and Excise authorities in an attempt to *provide Birmingham Airport* with a duty-free shop. Under existing regulations, a minimum of 20,000 foreign passengers a year was needed for this, and Birmingham *was approaching this figure*.

Computer business sags in first quarter

BY TED SCHOETERS

IT IS no surprise that home and export business in computers and supporting equipment has sagged badly in the first quarter of this year. The surprise lies in the extent to which the market has declined. Official figures show that in January-March both imports and exports were down by 33 per cent. compared with the preceding three months, though only slightly lower than the comparable period a year earlier.

However, in a market which has been growing at between 25 and 30 per cent. annually since 1965, such figures spell nothing but gloom, at least for the near future.

Total deliveries to the home and export markets in the first quarter were £64m. against £79m. three months before. Exports were £9m. against £30m. and deliveries of factored equipment were down £6.6m. at £13.3m.

First quarter export figures—affecting ICL and Honeywell in particular—were well below the level of the average for the four quarters of 1970. At the same time, the net new order inflow was at its lowest level for three years—only £45.1m. against the peak of £91.8m. in the first quarter of 1970.

The total order book does not look quite so black, though at £282.7m. it is the lowest since December, 1969. For the home market the figure is £193.9m., against £200.9m. in December, 1968. Export orders look a little more cheerful at £88.8m., or almost 15 per cent. up on a year before.

On the other hand, the importers and IBM especially, must be looking askance at the figures since forward orders for factored equipment now have dropped to only £88m. from £121m. a year before and £109m. at the end of 1969.

In the past the Electronics Little Neddy has ascribed much of the imbalance on the U.K. computer market to heavy arrivals from overseas of peripheral units and spare parts for computer manufacture.

Unfortunately the most recent official figures do not go into detail of spares and sub-assemblies They are limited by the Department of Trade and Industry statisticians to peripheral units.

Under this heading, imports have continued at quite a high level of around £3½m. for the quarter, though still down from the average of the preceding quarters.

The next Customs and Excise compilation, which will contain the import figures for spares, will be of considerable importance since they will reveal whether or not the massive import imbalance of £70m. will this year be repeated or reduced.

New personal loan plan from Bank of Scotland

BY ARTHUR SMITH

THE BANK of Scotland to-day begins a personal lending scheme called Scotloan. Customers will be able to borrow sums ranging from £100 to £1,000 for between six and 36 months.

Repayment is based on a flat rate of 7.5 per cent. per annum, and is equivalent to a true rate of interest, on a reducing balance basis, of between 12.74 per cent. and 13.77 per cent., according to the period of the loan.

Free life assurance is offered to cover the loans outstanding. Repayments will be charged automatically to customers' private accounts each month.

The Bank of Scotland believes the loans will prove popular for the purchase of cars and consumer durable goods following the recent purchase tax cuts.

Scotloan is not intended to supplant Scotplan, the bank's existing scheme of revolving credit which offers an effective interest rate of around 19 per cent. a year.

£5M. GLASGOW SCHOOLS PLAN

A £5m. programme of school buildings and adaptations was approved yesterday by Glasgow education sub-committee for submission to the Scottish Education Department in response to the Government's request to provide additional public works to increase employment.

The programme includes four new primary schools, four replacement primary schools, and major remodelling schemes at three schools.

Mitchell wins Woburn ropeway order

FINANCIAL TIMES REPORTER

AN ORDER, worth £170,000, for an aerial cabinlift system at the Duke of Bedford's estate at Woburn Abbey has been won by Mitchell Ropeways, a subsidiary of British Ropes.

Due to open next spring, the ropeway will operate on a round trip of approximately two miles, mainly through Bedford estate ornamental woodland.

Designed for a capacity of 800 passengers an hour, the service is expected to carry more than 500,000 visitors a year.

Ten tubular-type towers, ranging in height from 29 to 54 feet, will support the carrying rope between two terminal stations.

Scottish Film Theatre rejected

By Our Own Correspondent

GLASGOW, August 10.

A PLAN to redevelop the Scottish Film Council premises here into a national film theatre was to-day unanimously turned down by Glasgow's planning committee, which considered it would be out of scale with other buildings in the area, already a conservation zone.

Under the scheme put forward by the developer, Gilbert-Ash (Scotland), the frontage of the SFC's two-storey and basement premises would have been retained, and the rest of the structure demolished. It proposed to build partly four and partly six storeys to include a 400-seat cinema and foyer, an area, library and basement storage accommodation.

The Scottish Civic Trust, the Glasgow Institute of Architects and the New Glasgow Society all objected, complaining that the building would then dwarf the adjoining terrace houses and obscure views of Trinity College Towers, which form an attractive skyline in the area.

1973 START FOR M42 SECTION

Work on the 17-mile long Tamworth section of the proposed Birmingham-Nottingham Motorway, the M42, is to start in 1973.

The M42 is planned to run from the M5 south of Birmingham to the M1 near Nottingham, and will relieve the growing traffic congestion on the A453 and A38.

The section will by-pass Tamworth to relieve traffic congestion in the town. Motorway link roads will be built at Water Orton to serve traffic between the M6 and M42.

Europe: the debate continues

Christopher Tugendhat describes how MPs are planning to take the EEC debate into their constituencies now that the Commons has gone into recess

IN THE House of Commons the Common Market debate has been suspended until the autumn. But in the country it will continue, notwithstanding the holiday season. There will be more political activity in the Conservative Party this August and September than for many years, and no doubt the same applies to Labour.

A typical Conservative Member is Mr. Patrick Cormack of Cannock, who announced in the debate in the House that he is to hold ten meetings on the Common Market in his constituency. Most MPs prefer not to commit themselves publicly to quite so specific a figure, but Mr. Cormack's plans are typical of many; some, with large and far-flung constituencies, will do much more. Indeed, one MP with 140 villages in his constituency claims that he will visit each one, and that for a fortnight he will run a General Election-style campaign.

Easier task

The busiest MPs will be those whose constituents are scattered, are a long way from London, and who are in most doubt about the issue. This includes many horticultural, farming, and fishing areas. Those of us who can get round the whole of our areas regularly face a much easier task, and in many cases we have been able to launch our campaigns much earlier so that a good deal of the work is already done.

The situation varies a good deal from one place to another. Those MPs who have always said they are in favour of entry if the right terms could be obtained now have the easiest task. Their principles are clear and generally respected, and they can concentrate on convincing their people that the terms are in the national interest, without having to explain their own basic position.

For the dedicated anti-Marketeers—nobody knows exactly how many there will turn out to be—things are equally straightforward. Mr. Michael Clark Hutchison of Edinburgh South, who said in the debate, "I have for long opposed our joining the EEC. Indeed, I should never have made an application," is typical of the die-hard wing of the Conservative Party. He and others like him will find public opinion is no longer overwhelmingly in their favour, and that an increasing number of Conservatives will ask them how they can reconcile support for the Government with opposition to its most important policy. But in politics a consistent position, even when it is losing support, is frequently easier to defend than a change of mind.

Those who have sat on the fence "until the terms are known" must be prepared for some hard work explaining their support for entry now; but in the light of the movement in public opinion over the last few weeks their task should be a good deal easier than expected. The same applies to those who have switched sides

Mr. Kenneth Warren, MP for Hastings: wants Government assurances for the inshore fishermen.

Mr. Patrick Cormack, MP for Cannock: announced his constituency campaign programme in the Commons.

from being anti to pro, although they will have some embarrassing moments when their former views are quoted back at them.

Most MPs will be putting forward a definite case, one way or the other. But some are looking to their constituents to help them finally make up their minds, and are waiting for further reassurances from the Government on their constituents' behalf. Mr. Kenneth Warren, of Hastings, says that he is still "comfortably sitting on the fence." He wants to "jump in favour of Europe," but he needs assurances from the Government to satisfy his inshore fishermen.

I am fortunate both in the sense that I have been known to be "in favour of going in if we can get the right terms" ever since I was selected as the Conservative candidate for the Cities of London and Westminster some six months before the General Election, and because my constituency is the easiest in the country with which to keep in touch.

I began my campaign in late May. This was partly because it was already clear that the negotiations were reaching a climax and it seemed highly probable that the terms would be all right, partly because my association's annual general meeting occurred at that time, and partly because I was receiving so many letters on the Common Market.

Since then I have addressed branch meetings on the subject, devoted my AGM to it, and held a large public meeting in the Caxton Hall. I will continue to talks to as many audiences as I can during the next two months and another public meeting will probably be held.

The Westminster end of my constituency is a microcosm of urban Britain. It includes some of the most fashionable parts of London, large blocks of flats, some considerable council estates and some very poor areas indeed. Every class is represented and the views cover the whole spectrum of national opinion.

The meetings have, I think, given a better indication of the state of public opinion in Westminster. The "antis" have been most vociferous, but I have felt an underlying sympathy. My impression is that the majority were either already in favour of entry, or open to argument and quite prepared to be convinced of my case.

The pro-Marketeers' greatest advantage is the deep dissatisfaction which most people feel about Britain's post-war career under Governments of both parties. Many believe that in practically every field Britain has not done as well as she should. When the Common Market is presented as an opportunity to break out of the downward spiral, it strikes an invariable chord.

This is not just a matter of economic growth rates. The prospect of greater opportunities for the British people, and British participation in a great new political adventure receive a more favourable hearing than the usual economic arguments, important as these are.

The anti-Marketeers are gravely hampered by their lack of an alternative strategy. To say that the alternative to going in is staying out cuts no ice at all. Appeals for a united Commonwealth, or an alliance of the English-speaking peoples are regarded as unrealistic, and the chimera of the North Atlantic Free Trade Area has long since disappeared.

There is much about the Common Market, both politically and economically (and notably rising prices) that fills people with alarm. But during the arguments I find that many people conclude that perhaps the prospect of staying out is even more fraught with danger than going in. Moreover those who favour entry—and this applies as much to leading Labour figures such as Mr. Roy Jenkins as it does to the Government—have managed to inject a much greater feeling of destiny and opportunity into their arguments than the leading antis; this, too, is having an affect on attitudes

In whatever context they approach me—letters, meetings, or private discussions—the uncommitted among my constituents almost always put forward the same anxieties about entry.

Cost of living

These may be categorised as (1) "The lack of sufficient consultation with the people of this country" (2) "The impact of entry on the cost of living" (3) "Sovereignty" in the sense of what will happen to our laws, monarchy, and institutions, and what decisions will be taken out of our hands and (4) "The position of New Zealand and our other friends, who have stood by us when the Germans were attacking us and other Continentals letting us down."

I have found that only the first represents a really serious problem. On the others my arguments and those of the Government receive at least a reasonable hearing, and frequently seem to overcome the doubts of my interlocutors. But I do not feel I have managed to still many of the widespread doubts that are expressed to me about the position of MPs and Parliament. Wherever I am, I run into strong support for a referendum. It is usually fairly easy to convince the protagonists of this idea, unless they are dyed-in-the-wool antis, that it would be impractical and unsuitable. But the prospect of MPs voting on the basis of a three-line Whip is one that few find attractive. This is partly because the technicalities of Parliamentary procedures and the precise significance of a three-line Whip are largely misunderstood outside Parliament. Nonetheless, I am sure that if I could announce to a meeting that the Government would allow a free vote this would do more to win support among the uncommitted and silence EEC opponents, than anything else.

Good heart

As the battle moves away from Parliament to the constituencies, the pro-Marketeers in the Conservative Party are in good heart. They are confident that, following the mini-Budget, the pro-Market swing will gather momentum. Much of the Common Market's unpopularity has, it is felt, been the result of the Government's unpopularity in other fields.

Even those who have doubts about the desirability of the mini-Budget on economic grounds accept that it will help the EEC campaign considerably. The impressive performance of Mr. Roy Jenkins and his friends and the contrast between that and Mr. Wilson's activities are also helping to sway public opinion.

Another factor that should not be overlooked on the Conservative side is that in many parts of the country constituency associations are beginning to feel that it is the duty of Members to support the Government. They realise that if the Government failed to carry this issue it could not in practice survive, whatever the constitutional niceties may be.

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Pay offer 'is war'—scientists

THE Government's pay offer to its scientific workers could be called "a declaration of war," Mr. William McCall, general secretary of the Institution of Professional Civil Servants, said last night.

He told a protest meeting of more than 3,000 Government scientists in London that it would mean no increase at all for over half of them.

This was an effective cut in their standard of living of about 10 per cent. No other group had been offered no increase at all.

The institution is claiming increases of between 9 per cent. and 15 per cent.

New scales proposed by the Civil Service Department would give rises of just over 9 per cent. for some officers, but nothing for about 9,000 of the 17,000 staff involved.

Recession

Mr. McCall claimed that the Government was using the employment situation and industrial recession to depress the scientists' pay, and was ignori[ng] the long-term implications.

The Civil Service was looked [to] for a lead in scientists' p[ay] generally and a total of ab[out] 27,000 scientists in the count[ry] would be affected. If the Gover[n]ment succeeded with them, [he] claimed, they would then t[ry] elsewhere, especially in priv[ate] industry.

The Civil Service Arbitrati[on] Tribunal is to consider the insti[tu]tion's claim to-morrow.

65 TO LOSE JOBS AT HERBERT-BSA

The Herbert-BSA factory [at] South Wigston, near Leicest[er] will close at the end of Octob[er] putting 65 employees out of wo[rk]. The management told employ[ees] yesterday that they will be l[aid] off progressively during com[ing] weeks.

Continued depression of t[he] machine tool market and the [re]sultant need to rationalise ma[nu]facturing facilities were t[he] reasons given for the closure.

BBC to meet unions ove[r] pay deadlock on Friday

THE ASSOCIATION of Broadcasting Staff wil meet the BBC on Friday to try to break the deadlock over a pay claim for 4,000 weekly-paid workers, including scene-shifters, riggers and carpenters.

The union was due to have a meeting with the Corporation last Wednesday, but it was cancelled at the last minute when both sides came up with new peace formulas.

When they meet at the end of this week the ABS, the National Association of Theatrical, Television and Kine Employees, hte Electrical Trades Union and [the] Society of Graphical and Al[lied] Trades will try to thrash ou[t a] solution based on the n[ew] proposals.

The unions are demanding a [...] per cent. pay rise back-dated [to] July or a 10 per cent. incre[ase] back-dated to May. They [claim this] is necessary ot retain the [value] of a pay settlement won last y[ear] which has since decreased rap[idly] in value with the sharp rise in [the] cost of living.

The BBC has made a "fin[al]" offer of 9 per cent. which is n[ow] being considered.

Country house contents fetch £29,080

A SALE by Phillips of the contents of the country house of the late Mrs. C. A. Evans (Camille Clifford) realised £29,080 yesterday.

A Shirvan rug went to Shaf for £900, an 18th-century Flemish verdure tapestry to Cohen for £600 and an 18th Century German walnut and inlaid serpentine-fronted commode to Rubins for £700.

A set of six antique George II walnut-framed dining chairs were bought by Ford for £1,250. Nikpour paid £650 for a Louis XVI longcase clock, and Brendling £620 for *Memories and Anticipations*, a painting by Henrietta Ronner.

FREEMAN STANDS BY BRIDGE DESIGN

By Our Own Correspondent

WELLINGTON, August 1[0].

The collapse of West G[ate] Bridge, Melbourne, was not d[ue] to faulty design but was cau[sed] by the removal of bolts, clai[ms] Sir Ralph Freeman, senior part[ner] in Freeman Fox Partners, wh[ich] has been dismissed from the M[el]bourne project following [the] report of an inquiry into [the] bridge disaster.

Reiterating what he said [in] Australia last week, Sir Ra[lph] said he was certain that de[sign] played no part in the M[el]bourne failure and independ[ent] investigations being carried [out] would confirm this. He was spe[ak]ing in Auckland where he [in]spected Auckland Harbour Bri[dge] to which his firm were engin[eer]ing consultants in 1959.

COMPANY NOTICES

CONTRACTS AN[D] TENDERS

هكذا من الأصل

The Executive's World

EDITED BY DAVID PALMER

U.K. managers wanted in Thailand

By Douglas Foster

ONE of the tragedies of the mid 20th Century for British Industry is the way this country has turned its back on overseas markets where for years before the last war considerable goodwill existed towards us. One example is Thailand where considerable goodwill has existed towards the British for decades. We were lucky that the men who acted as advisers to successive kings were outstanding, able to treat the Thais as equals and not as some lesser tribe to be controlled. The Thais, because of them, not only respected us but grew to love the British.

With all this in our favour, our merchants and industrialists took little notice. The trading houses were poor reflections of those in Malaya and Singapore (as they then were). When the Thai economy began to boom, our industrialists did little and the floodgates opened to the Japanese. Ironically, a nation defeated in its Imperialistic intentions now controls or enjoys the benefits of dominating key sectors of trade with Thailand.

During a recent visit I met many influential Thais who expressed openly and frankly their regret for Britain's apparent disinterest in their country. The Americans injected a lot of money into the country, especially when they stationed forces here in support of their troops in Vietnam. Not unnaturally, many Thai leaders express discontent of the way their affairs are being run and the plethora of experts (mainly American and Japanese) in the country.

This discontent was highlighted in a recent leader in the business section of the English language daily *Bangkok Post*. This was titled "Foreign Investments, Experts *Not* the Answer." The leader went on to express the opinion that the country does not need more and more foreign investments, experts, or top management. What it lacks woefully is well trained middle management—what the article rightly calls the backbone of a country's economy.

The article goes on to suggest that what may be the right answer for the country if it is to solve its long-term economic problems is the setting up of management development centres. It offers the opinion that the best idea would be for Thai industry to run these jointly with organisations from abroad.

So far the Americans have made all the running but the Thais would like to see British industry playing a positive role here. It would be a good thing if appropriate organisations such as the BIM, Institute of Marketing and so on, could develop this idea.

Douglas Foster is the author of Managing for Profit, Managing for Growth, Planning for Products and Markets—to be published shortly by Longman.

What every stockbroker should know

BY MICHAEL BLANDEN

FROM the beginning of this month, aspiring stockbrokers must pass a new hurdle before they can become members of any of the Federated Stock Exchanges in Britain. A professional qualification is now being demanded of the men who buy and sell stocks and shares on behalf of investors. At the moment, the considerable number who this year sat for the Stock Exchange examination, held in full for the first time in June, are anxiously waiting for the results of what many felt was a rather tough test of their professional knowledge.

The test consists of four papers. Two of these are concerned specifically with knowledge of direct importance to the stockbroker in his day to day business. One covers "stock exchange practice," the other "the technique of investment." They are designed to ensure that candidates for membership of the Exchange have the basic technical knowledge required for them to deal on behalf of clients.

Now to give advice

The other two papers touch on disciplines outside the stock market; one, "the interpretation of company reports and accounts," demands a basic knowledge of accounting techniques and the ability to extract from the figures put out by public companies the information needed by investors; the other, called simply "taxation," ensures that a broker should be able to provide at least basic advice on this complex subject to clients and take their particular circumstances into account when dealing.

Of the two basic papers, the Stock Exchange practice was sat this year by a total of 434 aspiring brokers, while the investment techniques examination attracted 397.

Present members of the Exchange are not expected to sit the exams; nor are jobbers, who do a different kind of job from brokers. Other exemptions are also provided: for example, for people with professional qualifications in the subjects covered by the two "support" papers in accounting and tax, or with other broking qualifications.

The Exchange authorities have put in six or seven years' work developing a system of examining their members. The result reflects something approaching a revolution in the attitude of the Exchanges and their members towards their work. The easy going days when all a man needed was money and contacts are being left behind. Now, a far more professional view of the business is being taken.

This has reflected changes in City attitudes generally. It is felt that brokers, serving the investing public at large, have to recognise more formally the responsibility this brings. The recent emphasis on protection and help for shareholders, most obviously epitomised in the establishment and the subsequent activities of the Take-over Panel, demands a level of expertise to which the new exams are designed to contribute.

The programme has been helped along by the already rapidly growing professionalism of the market. The substantial expansion in recent years of the brokers' backroom research efforts has brought into the business a number of highly qualified people, matched on the other side of the fence by the skills being developed by the big investing institutions.

The new qualifications, therefor, are designed to provide the man who goes out on the Stock Exchange floor with a standard of knowledge which should enable him at least to talk on terms with the accountants and lawyers who play a growing part in investment.

The papers cannot be taken except by men actually working in member firms' offices. Nor, are the papers regarded as representing the whole of the training needed. Other qualifications are demanded before a man can become a member—on the London Exchange, for example, three years' training with a member firm and at least three months actually on the floor, among other things. And it is pointed out that the standard demanded is hardly likely to be met unless a candidate has had some other training or experience in business subjects.

Formal training

It is intended, however, to provide a minimum level of working knowledge for broking members, at a fairly high standard. Probably the most important aspect of the examination requirement is the incentive it provides for potential members to undertake a formal training for their job.

The establishment of the examination requirements has had the noticeable effect of encouraging the creation of formal tuition courses in areas which had been sparsely covered. In London, candidates are relatively well served, with among others the City of London Polytechnic providing suitable courses. Elsewhere—in Manchester, Birmingham and Glasgow last year—courses have been held in the relevant subjects with the help of both academics and practising Exchange members.

Question 1 *(Compulsory)*

You receive an order from a Client instructing you to purchase 500 XYZ Ltd. Ord. Shares at a limit of 153p. The "touch" in the market is 150p-154p.

Explain how you would deal with this order in each of the following circumstances:

(a) Where you have an order from another Client to sell 1,000 XYZ Ltd. Ord. Shares 153p or better;

(b) Where XYZ Ltd. Ord. Shares are on offer in the Market of another Federated Exchange at 153p nett;

(c) Where you can purchase XYZ Ltd. Ord. Shares from your Joint Arbitrage account at 150p nett, London.

15 marks

Question 2 *(Compulsory)*

Included in the Stock Exchange Rules relating to Member Firms' Accounts and Capital Requirements are certain provisions relating to the "Margin of Solvency."

Describe briefly how this Margin of Solvency is calculated and state the minimum amounts which must be maintained.

10 Marks

Question 3 *(Compulsory)*

There are three Scales of Minimum Commission (Appendices 39, 40 and 41 to the Rules of The Stock Exchange, London).

(a) State the circumstances in which each Scale is applied;

(b) The Rules authorise a Broker to charge commission at less than the rates laid down in these scales on certain types of transactions. What are these types of transactions?

10 Marks

Question 4 *(Compulsory)*

Where a quoted Company acquires the entire issued Share Capital of a Private Company the transaction will, under Stock Exchange Regulations, fall into one or more of four categories.

Give a brief description of each of these four categories and state the subsequent action which the Regulations require the Quoted oCmpany to take in each case.

15 Marks

Shake-out in the computer industry

BY R. B. YEARSLEY and G. M. R. GRAHAM

COMPUTER departments and computing services in the U.K. are facing a serious loss of confidence by senior management at the present time. There are three different factors affecting this situation: firstly, a general feeling of irritation, doubt and scepticism penetrating the Board room.

In a recent survey conducted by BIM and our own company covering 102 companies, 75 per cent. of the respondents showed some disatisfaction with the service provided by the computer department.

This gloomy view in turn has led to a serious cutback in both the ordering and delivery of computer systems by the principal computer manufacturers. ICL has had to reduce its labour force by significant numbers in the last six months. The computer manufacturers are also having to face for the first time considerably reduced growth rates. After hot-house growth at 20 per cent. and more, a major change is needed to deal with a cooler market place. The potential user now has many different avenues presented as pathways for the solutions of his information systems problems, including service bureaux, more sophisticated accounting machines, mini-computers and computer terminals.

Post D-day depression

The second factor could be called post-decimalisation depression; many computer departments are now entering a phase of introspection and consolidation and computer managers are trying to plan for the future and define their role vis-a-vis the company's corporate strategy. In so doing they are opening their departments to inspection from above and around. The success of meeting Decimalisation Day deadlines has faded a little as the encomiums have stopped and instead future budgets are being examined with great care and startling reductions are being introduced where increases were asked for. This has led some well-known computer users to cut back their professional management services staff in the U.K. Many software firms dependent for their growth on decimalisation projects and expanding computer users are currently cutting back their labour forces, too.

Many of these Software firms built success on unsure foundations, believed their own publicity too well and were infected by an endemic optimism prevalent among ambitious and intelligent young technicians with a taste for power and glory but with insufficient exposure to the day-to-day slog and risks of running a successful business. Currently, it is estimated that over 2,000 experienced computer staff are unemployed as a result of this shake out in the U.K.

The third factor has been the slowing down in the economy as a whole, and the squeeze on corporate profits. After PR and Advertising, it is the DP Department which comes under review for pruning. Never again will computer people be allowed their cultural ballyhoo at any price. Management information has a price. Now it must be shown to have a value. It is open to doubt whether this welter of data has allowed senior management in Britain's top companies to take sounder, more profitable decisions.

With this emphasis on cost cutting it is not surprising to learn that Computer Consultants are being asked to turn a spot light on the computer department in order to diagnose potential problem areas, report on efficiency and generally conduct a short check up on the technical and managerial health of the Computer Department. This packaged technique is the Computer Installation Review. The external consultant is invited to conduct such a review usually at the behest of the worried Board member responsible for Management Services, with the agreement and complete co-operation of the Computer Manager. The review to be effective must be done in a short period between 6 and 10 weeks and the contents of the reviewer's report should be seen and recommended by the local management before being presented to the Board.

Such a study will review the Computer Department from a number of stand points and will require a mixed team of computer specialists and technically oriented Consultants. The service will cost between £2-4,000. After the terms of reference are agreed the team will initially look at The Management and Control Methods used in the installation; the techniques of computer management (Standards); the organisational structure of the computer department and its relationship with other line management. Quite often major problems in computing have arisen as a result of a total lack of intra-company communications between the computer people and the line manager with a specific project responsibility.

Budgeted targets

The Consultants will then look at the control mechanism used to steer computer projects to a successful conclusion, on time and within budgeted targets. Recent studies have shown that only 35 per cent. of computer installations in the U.K. have any positive project control mechanism.

The team will report on the skills of the computer people employed, and in particular will look at the productivity of the programming staff. Significant improvements can be implemented in this area with the help of good standards for increasing the productivity of the programmers, including on site tuition.

Finally, the reviewer will examine the customers of the computer department, the users themselves. The proper education of line management in Computer Appreciation stressing the limitations of the computer are the ingredients for the success of computer projects.

** R. B. Yearsley and G. M. R. Graham are directors of Brandon Applied Systems.*

Sanaco is launching a fully integrated Management Sciences Service to Industry and Commerce, using the normal telephone network and a simple typewriter terminal situated in the user's office. Based upon the Sanaco G600 £1½m. computer installation, the service covers all management activities and is accessible from anywhere in the country. The service covers applications in the following business areas: distribution; warehousing; plant simulation studies; vehicle fleet composition and disposition; allocation of resources; project control; statistical and cash flow analysis; and quality control. All applications have already been used by U.S. management.

Design in business

TWO related exhibitions under the joint title "Looking like business" will be held at The Design Centre, 28, Haymarket, London, from September 15 to October 23. They will show case studies of companies in widely differing fields to illustrate how design is used by managements to support their corporate development and marketing strategies.

During the run of the exhibition the Council of Industrial Design is also organising a two-day conference on "Corporate Identity—its organisation and management." It will explore the management processes required in planning, organising and implementing corporate identity programmes. Case studies of the programmes for Crown Products, the Blue Circle Group and Unigate Limited will be used. The Council of Industrial Design is also publishing in September a book about corporate identity based on case histories and other material from previous CoID conferences.

Executive aviation

A CONFERENCE on executive aviation, organised by Business Administration and the West London Aero Club, will be held on September 21 at the Esso Motor Hotel, White Waltham Aerodrome, Maidenhead. The conference aims to bring to top British management a wider knowledge of company owned and chartered aircraft, and to explain why continental businessmen are making increasing use of them.

Case study reports will be used, to explain how maximum profitability can be achieved. Delegates will be able to inspect various types of aircraft, including hovercraft, and 45 minutes flying time is included in the conference fee. Fee: £40. Details: Whansbrough-White and Co., Chiswick Mall, London W.4.

Your Business Problems

Tax on gambler's winnings

BY OUR LEGAL STAFF

Over the past few years I have won a considerable sum in gambling and in a court action. Is it correct that this is not taxable?

Gambling winnings are not taxable as income unless carried out as a scheme which constitutes an adventure in the nature of trade. In the normal way of events it is unlikely that off course betting winnings could constitute taxable income.

In the case of a court action the damages are not taxable unless referable to loss of profits in a trade, but interest on the damages payable under the court order would be the taxable income of the recipient.

Getting rid of a company

A private company I run has not traded for some time and has about £1,500, plus agreed tax losses. There are no debts except to me of more than its assets. How can I get rid of the expense of running the company and making returns?

The simplest procedure would be to repay as much of the debt owed to you as possible and to capitalise the balance in share capital, say one share issued in exchange for the loan, and for you then to write to the Registrar of Companies indicating that the company has no creditors and no assets and that you wish to have the company struck off under Section 353 Companies Act 1948 as being defunct.

This may not deal with the best way to utilise any losses available to the company but certainly indicates the simplest procedure for ridding yourself of a continual expense.

Capital allowances

During our year ended April 30 1971 we incurred expenditure qualifying for an industrial buildings allowance of 30 per cent. This would more than offset the profits for the year, which would normally form the taxation basis for 1972/73. Can we now elect to have the allowance brought forward and offset against the assessment for 1971/72?

It is not possible for capital allowances due for one Income Tax year to be brought forward for an earlier year.

If the capital allowances are sufficient to turn the profit for the year to April 30 1971 into a loss, a claim can be made under Section 168 Taxes Act 1970 to offset that loss against the assessment for the year 1971/72.

Estate fund & tax

An estate fund falls to be divided equally between two people. Pending clearance of the estate duty, the trustees of the fund have retained investments and paid the income (£4,000 gross) to the beneficiaries, after providing for interest on the estimated estate duty liability. Claims have been submitted to the Inland Revenue for the agreed farming losses of one of the beneficiaries to be set off against the above £4,000 investment income a refund claimed accordingly. The Revenue, however, contend that the interest on estate duty must first be deducted, but have quoted no authority for this procedure. What, please, is your view?

The estate income is taxable as the income of the beneficiary and not the income of the executor under part XV Taxes Act 1970.

The gross income (where there is an absolute interest) is taxed on an income arising basis, with estate duty interest being deducted on a day by day accrued basis.

For surtax a deduction from estate income of the grossed up amount of estate duty interest is permitted. For income-tax purposes the net income is arrived at by taking the actual income arising less the estate duty interest accrued and this is available to cover charges or give repayment for losses set against total income.

There is no statutory authority for these procedures, which are departmental practice procedures.

Funds in Jersey

My client has accumulated funds in Jersey, from foreign earnings not remitted to the U.K. How may funds be invested in gilt-edged industrial equities, unit trust or insurance bonds, through the agency of a U.K. bank in Jersey, without falling into the category of amounts remitted and therefore assessable in the U.K.?

Foreign employment earnings accumulated in Jersey can be invested in U.K. securities if a Jersey bank first acquires the securities as a principal and then sells them to the customer, so that there is no constructive remittance of the funds. It is suggested that this procedure is dangerous.

In the case of insurance policies these can be taken out with companies that issue Jersey policies, so that these are not U.K. assets; the insurance company can, of course, invest the funds in U.K. securities or properties.

Goodwill for tax purposes

Where a business changes hands and a sum is paid for goodwill, is it correct that it should not appear as a profit in the vendor's final profit and loss account nor as an outgoing in the purchaser's profit and loss account for tax purposes?

For tax purposes a sum paid for goodwill will not appear in the profit and loss account of a vendor nor as an outgoing in the profit and loss account of the purchaser. The reason for this is that goodwill represents the acquisition of a capital gains tax asset. Therefore purchases and sales of goodwill will be dealt with as capital gains tax transactions and not as income tax transactions.

Lease to joint tenants

I propose to lease a flat using a standard form to two joint tenants. How do I make them both liable?

The wording to use is "jointly and severally." This will produce the precise result you require. No stamp duty is now required upon an agreement, but the agreement should be stamped as a lease—presumably at 50p, on the assumption that rent is in excess of £100 per annum.

Allocation of interest

Six months ago I took out a loan of £300 from a trust company the principal plus total interest of £85.20 being repayable over 36 months at the rate of £10.70 per month. I have now taken out a further loan of £200 and the accounts have been amalgamated by the lenders. Since I have paid six instalments, I calculated that I had paid one-sixth of the principal and one-sixth of the total interest, leaving on the old account a sum owing of £250. The combined loan ought then to be now £450 in regard to principal (£250 plus the new £200).

The company tell me, however, that I owe £263 on the old account and that £207 (not £200) is available to me on the new account and that "the settlement figure is supplied by lists from a computer, worked out by rule of 78." In other words, I now owe them £470 in respect of principal.

Will you please tell me what this means and if it is in order?

In dealing with interest on loans which are repayable by fixed monthly instalments the interest charged for the loan has to be apportioned over the life of the loan. This can be done either (a) by dividing the interest equally over the number of instalments or (b) actuarially by the mathematical principle of the rule of 78, which means that each repayment repays part interest and part capital and in the early years the repayment constitutes mainly interest and in the latter years mainly capital.

In this case the interest is added at intervals before payments are made so that the overall figure you have been given of £470 includes interest, which has been added to the account.

You will, however, see that if you take capital and charges together that whichever way you calculate the interest and the contract is allowed to run its full term the same total payment will be made.

In short, the rule of 78 is purely a method of allocating the total interest to the individual instalments which you pay, and does not affect the overall amount which you have to pay under the agreement.

Reproductions and copyright

I have connections with a European company that manufactures statuettes and busts and I am investigating the possibility of them producing figures of past and present personalities. Are there any legal requirements that must be observed before production can commence and reproductions made?

We do not think that there are any legal requirements which must be observed before production can commence and reproductions made. The only obvious matter which requires checking is of course whether the reproductions may not be an invasion of somebody's copyright.

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Birmingham: George House, George Road 021-454 0922
Leeds: District Bank Chambers, Park Row 0532 24969
Manchester: Queens House, Queen St. 061-834 9381
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Bonn: Pressehaus 11/223 Heussallee 2-10 222596
Frankfurt: 6 Frankfurt am Main, Im Sachsenlager 13 555730 (editorial) 554667 (business)
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WEDNESDAY AUGUST 11 1971

The dangers of intervention

THE EAST PAKISTAN crisis, with its threat of war on the frontier with India, has become still more involved and potentially even more dangerous as a result of the developments of the past few days. In Pakistan the decision to try the East Pakistan leader, Sheikh Mujib, in a secret military Court means that President Yahya's Government is cutting off its only possible line of retreat from its policy of supressing the regional forces in the East wing. In India the decision to go ahead with a Treaty of Peace, Friendship and Co-operation with the Soviet Union means that Mrs. Gandhi's Government has given up the struggle to prevent its quarrel with Pakistan from overwhelming the rest of its foreign policy.

Chain reaction

The Soviet Treaty contains an important defence clause committing the two parties to hold consultations in the event of an attack on the territory of either. The clause is obviously aimed at Pakistan, and less directly at China, which has been widely suspected of planning to come to Pakistan's assistance in the event of an Indo-Pakistan struggle. It can be presented as a purely deterrent measure —and was so presented by the Indian Foreign Minister, Mr. Swaran Singh, who signed the Treaty with Mr. Gromyko on Monday. But India's willingness to compromise its non-aligned policy by binding itself to the Soviet Union could be the start of a chain reaction extending well beyond the limited purpose of the Treaty.

Whether the Indo-Soviet agreement helps to damp down tensions between India and Pakistan will depend partly on what Mr. Gromyko has said to Mrs. Gandhi during this week's talks in Delhi, and partly on the interplay of forces within the Pakistan Government. It is perfectly possible that Mr. Gromyko—in conformity with previous Soviet policy in the Subcontinent—has warned India against any step that might lead to war with Pakistan.

It is also possible that Pakistan has been indirectly warned by the wording of the Treaty and by the obvious seriousness of Soviet intentions. But Pakistan's reaction is not, unfortunately, likely to be simply one of caution in the face of a Soviet-Indian alliance—and this is where the danger of the Soviet initiative lies. If President Yahya's advisers persist in their publicly expressed belief that war is inevitable and that the East Bengali guerillas can only be defeated by attacking their bases in India what will the Soviet Union actually do?

Supply line

Its obvious first step, presumably would be to ensure that India had an overwhelming military superiority over Pakistan. In fact, however, the Indian Army is already immeasurably superior, especially on the east side of the Subcontinent, where Pakistan's forces are operating at the end of a 3,000-mile supply line linking them to their bases in the West via Ceylon. The main priority in the event of an Indo-Pakistan war would, therefore, be to prevent the struggle spreading by the involvement of other powers such as China, or degenerating into communal conflict

The Soviet Treaty might just conceivably be effective on the first of these counts, although to do them justice China's leaders almost certainly possess enough caution and commonsense to avoid direct involvement in India without a warning from Moscow. As far as the second danger is concerned it is unlikely that Soviet intervention or the intervention of any other external power would be of the slightest use. The best that the rest of the world can do for India and Pakistan at present is to avoid aggravating their conflict by allowing external interests to get caught up in the struggle. The Soviet intervention looks like a move in the opposite direction.

No growth at home

THE PROCESS plant industry is particularly vulnerable to the cyclical influences which affect all capital investment and finds itself alternately short of capacity and short of orders. It was in 1966, at a time when capacity was proving inadequate, that the National Economic Development Council set up a working party whose function it is to review the likely course of demand and make recommendations. Its latest report, issued at a time when output is at a peak, is not enthusiastic about the outlook for further growth in the immediate future.

The oil industry is planning to spend more on investment, particularly in refining: the only proviso that must be made in this sector is that delays in obtaining planning permission have become much more common. Steel and food processing have made little change in their forecasts, which provide for a moderate increase on 1971 in one case and maintenance at the same level in the other. But the gas industry has now postponed a major expansion project to 1974 and the electricity generating industry, whose investment is running well below that of the past few years, does not expect an upturn until this same year.

Chemical cuts

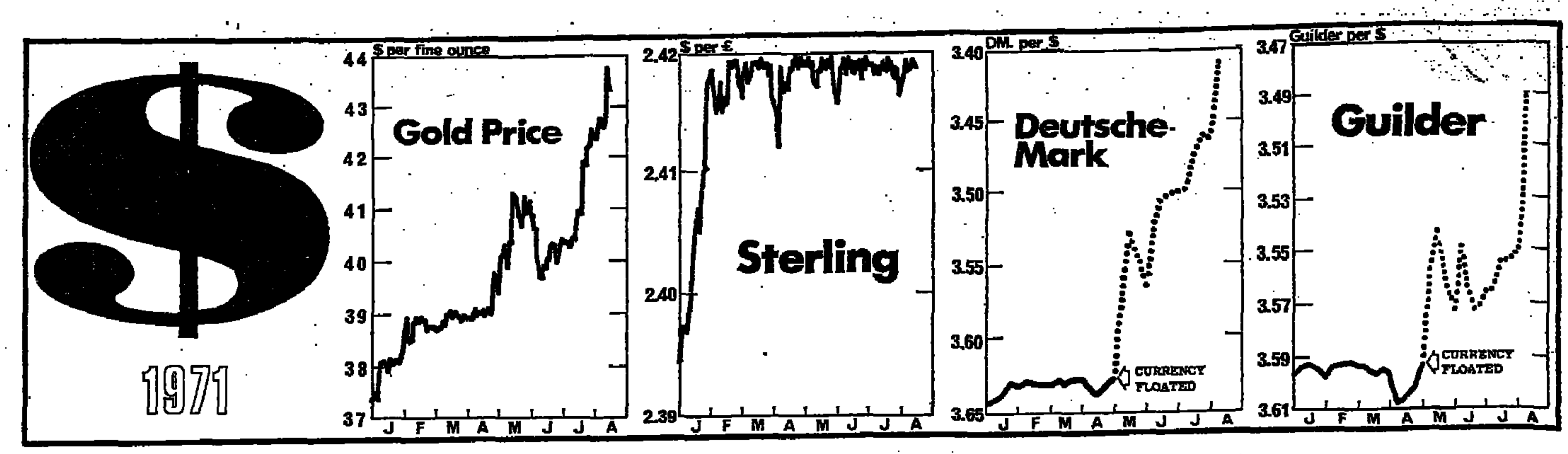
The main trouble, however, stems from the chemical industry, which accounts for about 40 per cent. of the total demand for process plant. Particular companies, like Imperial Chemical and Shell, have already announced that they were cutting back their investment plans. The working party finds that the industry's expenditure on process plant is likely to drop over the next couple of years by 37 per cent. from the record level of 1970 and that little improvement can be expected before 1974-75. The current surplus of world capacity in many products has led to weakening of prices at a time when costs, partly for the same reason, are rising. The squeeze on credit and the replacement of investment grants by allowances may also have had some effect.

In any case, the working party concludes, the demand for process plant as a whole for use in the home market is likely to remain roughly constant at its present high level over the next two or three years. They draw two main conclusions from this prospect, neither of them encouraging. The first is that productivity will continue to increase while output remains static and that employment in the process industries will therefore fall: engineers, too, will have to become more versatile. The second conclusion is that manufacturers will have to look for expansion of their business to exports or import substitution.

EEC hopes

A report commissioned by the Little Neddy for Mechanical Engineering suggested last year that the market in process plant was likely to become more international and competitive and that the U.K. industry was tending to lose ground to its competitors both technically and commercially. It is also true that in the case of overseas contracts less than half the plant required is ordered in the U.K.: a quarter has to be ordered abroad for reasons like currency shortage or licence conditions, a quarter is ordered abroad because it is better or cheaper.

Entry into the EEC, nevertheless, would give U.K. manufacturers freer access to a market in which there is a large trade in process plant and some contractors have already gained a foothold in it. A firm decision about entry would also probably lead to the bringing forward of various investment projects which have been temporarily deferred. The result of the Brussels negotiations was not known when the working party prepared its report, nor was the April Budget—with its lightening of company tax—nor the recent mini-Budget—with its special incentive to capital investment undertaken before mid-1973. To that extent, therefore, it may be unnecessarily pessimistic.



Problems of a $ parity change

By JOHN GRAHAM, U.S. Editor, Washington, August 10

THE Joint Economic Committee of the U.S. Congress is a body totally without executive or even legislative power. Its sub-committee on international exchange and payments is, *a fortiori*, even more powerless. That a report of this sub-committee, issued after only a few days of hearings and saying that the dollar is overvalued and should be devalued, should be swiftly answered by a U.S. Treasury statement saying "nonsense" is interesting enough in itself. That the report should then be credited with intensifying the nervousness in European financial markets, leading to flights from the dollar into other currencies and gold, is an extraordinary indication of how enfeebled the dollar has become.

The report is mainly the work of Mr. Henry Reuss, one of the few Congressmen who understands the international monetary system. It has the considerable merit of at least recognising that the dollar *can* be devalued, despite the insistence of the present U.S. Administration that it intends to do no such thing. There are two central facts to keep in mind: first, however great the nervousness and selling in Europe, the dollar problem is not yet acknowledged to be acute here; and second, it is possible for the U.S. to devalue the dollar if it wishes to do so. Indeed, there are several ways in which it can be done.

Raising the gold price

This may sound heretical after all that has been written in the last five years to the effect that the international monetary system is asymmetrical and the dollar therefore logically "undevaluable." What follows is an explanation of the heresy; it is not suggested as a guide to what the Administration is necessarily planning.

The first, and "traditional," way to devalue the dollar is to raise the official price of gold to, say, $70 an ounce. The disadvantage to this is that it cannot be done without Congressional approval, and that takes time. The time it would take is generally assumed to be enough to wreck the international system, or at least cause great damage. A greater disadvantage is that the rest of the world might not just accept that its dollars were worth half as much gold as before, but might adjust parity rates in proportion, thus leaving the dollar valued exactly as before in relation to other currencies.

But there is another way, more ingenious and less improbable. The U.S. dollar is the only currency defined in terms of gold alone, and is thus the only currency which does not have a mechanism for protecting the 1 per cent. band around its parity. Other countries have that responsibility with respect to the dollar value of their currencies. The gold content of the dollar—in other words, the dollar's parity, is guaranteed only because the U.S. Treasury accepted an option in the late 1940s to buy and sell gold at $35 an ounce. The acceptance of this option is contained in a letter by the Secretary of the Treasury of the day, Mr. John Snyder, to the managing director of the International Monetary Fund.

The IMF rules that a country has an obligation regarding exchange stability, and that a country whose authorities "in fact freely buy and sell gold within the limits prescribed" is fulfilling that obligation. The U.S. does not "in fact freely" buy and sell gold, except in a narrow technical sense. It is true that no monetary authority which has insisted on buying gold from the U.S. has ever been refused, but pressure of all sorts has been applied to reduce the likelihood of such insistence. President Kennedy had to deal with a flurry of central bank requests almost as soon as he took office. The limited convertibility of the dollar is attested both by the two-tier gold price system and by the three-to-one ratio of potential claims against the available gold stock. But persuasion does not always work, as was shown by the recent French gold purchase.

The Secretary of the U.S. Treasury could, of course, write a letter to the managing director of the IMF saying that he was withdrawing the option accepted in the 1940s, and that the U.S. would therefore not buy and sell gold freely. Since it would have no way to protect the dollar parity against other currencies—the U.S. does not keep hoards of foreign exchange for intervention—it would wish to consult with the IMF about a new parity at some time and a new method of securing it. This is known as "closing the gold window." Provided the U.S. told the IMF it wanted to consult, its action would be in accordance with the rules.

Practically, though not theoretically, the value of the dollar unpegged from gold would fall in financial markets. It would float—or rather sink—against other currencies, as is now the case with Germany and the

Mr. Henry Reuss, whose committee's report recommending devaluation upset foreign exchange markets this week.

Netherlands. The Deutschemark and the Guilder are to-day floating upwards against the dollar, and have thus accomplished a partial *de facto* devaluation of the dollar—in the German instance of 7 per cent., at the latest rates.

Could all relevant currencies not similarly float upwards against the unpegged dollar? The problem here is that the Bank of England, to take one example, is obliged to maintain the official bands around the dollar's 2.40 rate against the pound. However much market forces and international reality suggested an appreciation against the dollar, the Bank of England is not allowed to let the pound go outside the $2.38-2.42 limits. The same goes for any other IMF member which is maintaining its parity.

At this point two little-known Articles of the IMF come into play. The first is Article 16, which was actually discussed during the spring dollar-Deutschmark crisis. This allows the executive directors to suspend by unanimous vote the rule which obliges central banks to maintain the 1 per cent. bands. It is an emergency provision, lasting for 120 days or less, and can be extended only by the governors. If this provision were to be invoked, the Bank of England could allow the sterling rate to float upwards as far as it liked. *De facto* appreciations of other currencies against the dollar would be permissible.

The other is Article 4, Section 8, Subsection B. This says that "whenever the foreign exchange value of a member's currency has, in the opinion of the Fund, depreciated to a significant extent within that member's territories, the member shall pay to the Fund within a reasonable time an amount of its own currency equal to the reduction in the gold value of its currency held by the Fund."

Afraid of a float

This is clearly a provision against *de facto* devaluations, devaluations of the market-place rather than through formal announcements of parity changes. In the American case it would refer to the discount at which the dollar was selling in New York against other currencies. If New York were the only financial market in the world, Article 16 would not be needed, since the Bank of England, to continue the example, has no obligation to maintain the 1 per cent. around the pound's $2.40 price outside its own territories. It, and any other central bank could accept whatever appreciation took place in New York. Article 16 becomes necessary in our hypothesis because if the dollar was unpegged from gold there would be two dollar prices for the pound—one in London and another in New York—unless the Bank of England were absolved from its obligation to maintain the bands.

It is, of course, the emergency provision of Article 16 that would cause the most difficulty. What would result is a general float; and the IMF and the world's central bankers are afraid of this animal. Many Latin American countries would have to follow the dollar down. So would some Asian countries. So would some sterling area countries, dependent on raw materials prices. What would be needed to make the general float work—that is, to get a *de facto* devaluation of the dollar against the important currencies—is some form of prior agreement in the Group of Ten to accept the appreciation of their own currencies.

Members of the IMF have another obligation, namely "to avoid competitive exchange alterations," and this obligation is specifically *not* waived by the emergency provision of Article 16. If a prior agreement could be reached, and if the floats could in some way be managed or "smoothed" so as to permit trade and financial exchanges to continue, and if the speculative problem could be handled—through bear squeezes, or recycling of short-term funds by central banks—then after a period of weeks or months the extent of the devaluation of the dollar would be evident, and the move back to fixed parities could begin.

These are big "ifs," and there would no doubt be much disorder. At the end, however, if the U.S. had taken on average a 10 per cent. devaluation against Group of Ten currencies, the White House could send a bill to the Congress asking for a new law, to supersede the Gold Act of 1934 and the Bretton Woods Agreement Act of 1946, authorising the U.S. to buy and sell gold at $38.50 an ounce. With the gold content of the dollar altered, the U.S. could get a new gold parity at the IMF, and the rest of the world could restate their parities in proportion to their trading levels during the float.

At least the Congressional difficulties would be mostly obviated, in that the world would not have suffered the uncertainty bordering on chaos that would accompany a bald request to Congress for a gold price change from the White House without market action.

Devaluation of the dollar along the line suggested would not only be *de facto* and *de jure* if the proper IMF steps were taken, but could be followed by a return to a dollar-gold parity. It would eliminate the prospect, extremely distasteful to U.S. Administrations, of giving a large permanent advantage to the Soviet Union and South Africa by hugely raising the gold price. It would also not lead to windfall profits for the gold speculators, since the free market price of gold is now at about $43 to $44, and no one seriously believes that the dollar would be depreciated by nearly 25 per cent. in the market-place.

The political consequences

These are indeed the lines proposed by the Reuss Report, and they are being discussed in Washington by international economists of the highest reputation. The report suggests first that the IMF should try to persuade other countries to revalue their currencies upwards, and that the U.S. should resort to unilateral action only if this fails. Naturally, it would be technically easier to get the important currencies revalued, but no-one has yet found the magic key. The Americans have been trying to talk the Japanese into it for years, without success.

Finally, it must be stressed again that the U.S. Administration is not, as far as is known, planning anything of that sort. The political problems for the White House have not even been mentioned, and they are obviously considerable. It is commonly agreed that an Administration which devalued the dollar would go out of business at the next available opportunity. This common agreement is worth as much as any unanimous belief about the effects of something that has never happened.

What can be said is that the Nixon Administration has a less emotional attachment to the $35 an ounce price than its immediate predecessors, though it is subject to the same domestic political and international economic forces. Many senior people at the Treasury and the Federal Reserve admit that the dollar for all practical purposes is over-valued; barely a few years ago such thoughts were unthinkable. There is progress of a sort.

MEN AND MATTERS

Once more into the breach

"They've no hope, no hope at all," said Mr. James T. Scott of the two companies interested in buying his Millar and Lang business in Glasgow. "Several others have tried lately, and I say the same to all of them. But they're still stupid enough to waste their money sending out circulars." Scott is confident that he has more than half the shares behind him, and has survived bids before, including one notable wrangle in 1958. Should Scott again repel boarders, it will be a triumph to celebrate along with his impending 90th birthday.

Still in the office two days a week, Scott joined the greetings card, stationery and calendar business in 1903, 11 years after it was founded, one year after it moved into its present offices and workshop in Darnley Street, and two years before it went public.

Yesterday, he could not remember exactly when he became chairman, but was very positive about everything else. Yes, he quite realised that he could develop Millar and Lang's property assets to-morrow, "but we have a moral obligation to our staff. Even the knowledge of a takeover bid is annoying for employees." Anyway, the results, due shortly, should be better than last year when only £446 of the dividend was earned.

The bid battle started with Mount Securities, a private company of property man Mr. Henry Clayton, bidding 50p a share. Then Mr. Gordon Currie, of Clydesdale Commonwealth Hotels, said he would privately bid 65p if the Millar and Lang directors approved. Back came Clayton with a 75p offer, which Currie promptly said he would exceed. Currie says he would keep the business going, even though he reckons the assets worth 160p to 170p a share...

At 80p, giving an exit p/e well into three figures, Millar and Lang would still not cost a fortune—£56,000 to be exact. But it should produce plenty of fun.

To Russia, for fun

The Soviet Union has just bought six large merry-go-rounds from America, at a cost of around $½m. This enterprising sale (which had to be cleared with the U.S. Government in case merry-go-rounds were "strategic materials") was made by a New York trading house, Amrex, which had already sold the Russians what the Russian Press has engagingly called "a colliding cars show." The deal was the work of one of Amrex's founders, Mrs. Bettine Parker, Dutch-born widow of an American businessman, who says she spends half her time in the USSR negotiating such sales.

The "colliding cars" are going to one of Leningrad's "houses of culture," while the merry-go-rounds go on show at Moscow's Gorki Park this month. There is an exhibition there of Western amusements, including a Japanese electronic skittle alley which the Russians are also expected to buy. Amrex may also sell them some "hit the target" machines, as the Russians call them.

Sensitive spot

The British Steel Corporation has appointed Mr. Henry Mutkin as director, corporate reorganisation—or, as others might put it, King of the Ragged Frontier. At 35, he brings to the post a suitably devious clutch of qualifications, having read law at Oxford, become a chartered accountant with Peat Marwick Mitchell, and had a spell in merchant banking.

While he was at M. Samuel (now Hill Samuel) he met Lord Melchett, and went to be his personal assistant from January, 1967, in the days of the organising committee, before nationalisation of steel came into effect. Since then he has been in the planning division, helping to plot the BSC's long-term strategies—a job that has taken him on missions to Japan and the U.S.

His new task is to supply the staff support work—statistics, analyses, recommendations—for the main Board on such thorny questions as how best to bring private capital into the Steel Corporation's chemicals, structural engineering and wire-making activities. As he sees it, it will not be just a matter of accepting the best offer but, with wiremaking, for instance, putting together a strong grouping that will leave the BSC both with a profitable investment and a prosperous customer.

To Charterhouse, from Clore

The first fruits of Mr. John Vaughan's appointment three weeks ago as the new chairman of Charterhouse Group have not been slow in arriving. Already Mr. John Murray, formerly Lex of the Financial Times, formerly finance director of the John Lewis Partnership and formerly finance director of the (quite separate) Lewis group of stores that include Selfridges and are owned by Sir Charles Clore, has been installed at Charterhouse Japhet, the merchant bank subsidiary. There, as a director, he will be dealing with corporate finance, and as an outsider brought in will hopefully bring a fresh mind to the question of expanding Japhet's work.

Murray is one of several Lex men who have left to seek their fortunes in business. Mr. Arthur Winspear of Warburg's merchant bank, Mr. James Joll of Rothschilds' bank, and Mr. John Gardiner, now in charge of the Laird Group after being with the IRC, are other examples.

Murray went to John Lewis in 1965, and switched to Lewis's in 1969. In both cases, he seems to have run into problems deriving from the odd structure of both. The John Lewis Partnership, as the name implies, is an unusual form of employee democracy which tends, it is said, to leave power in the hands of the chairman. At Lewis's, he who can work closely with Sir Charles can get things done. It all depends on the personal contact. Once that is lost, he might as well leave. And so it was with Murray, who was already due to leave Lewis's when the Charterhouse offer came.

At Lewis's, Murray had mainly been preoccupied with reorganising the nine provincial department stores (Birmingham, Manchester, Glasgow etc.) which needed and got a close look at their staff costs and merchandising policies. But opting for the City rather than another job in industry was deliberate. "There is a quicker turnover of problems in the City."

Heads I win

First pig: You look very silly in that trilby hat.
Second pig: I'd look even sillier in a pork-pie.

Observer

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Dominick J. Coyle reports from Belfast, Tuesday.

Why a 'political solution' must be found

NORTHERN Ireland is not a place where agreement and compromise come easily, as the tragic events of the past 24 hours have all too clearly shown. Yet it is gradually dawning on many people, including some politicians in this troubled land, that the Governments in London, Belfast and Dublin must somehow, and very soon at that, agree on a "political solution" if Ulster is not to rip itself apart in a deadly sectarian civil war.

Some hope

Belfast to-day is no place for optimism, despite the immediate lull in the rioting following a night of death, bombing and plunder, but the situation is not wholly without hope—save to the extremists on both sides. Seventeen deaths in street violence is a tragic way to buy realism, and realism suggests that internment without trial is no long-term solution to Ulster's troubles.

More encouraging, if immediately less obvious, are some signs that Mr. Brian Faulkner, the Northern Ireland Prime Minister, accepts that a new order of administration may be necessary if the two communities are to start across the great divide which now separates them.

Mr. Faulkner himself as much as said so yesterday, in a mainly neglected portion of his statement concerning the introduction of internment. He appealed to the Roman Catholics "to come out and join us in building this community up again; not to restore it simply to what it was, for many of us in the past have failed each other, but to build this on better, sounder, and stronger lines."

He was making it clear, to his own Unionist Party supporters as well as to the Roman Catholic minority here, that internment did not represent a change in Government policy as such. "Firm action on security is not a substitute for constructive change."

The security question, of course, is immediate and must continue to have priority. Political initiatives, no matter how necessary for the longer-term, cannot be dictated by gunmen on the streets. There is still no official indication as to how many of the 300 people rounded up yesterday will eventually be interned, but evidence from Republican sources suggests that while the dawn swoops caught many leading members of the IRA "officials," they were much less successful against the more militant "provisionals."

The widespread shooting at the Army in many parts of Belfast last night tends to confirm this, and to suggest that "provisional" leaders had gone to ground, or crossed over to the Republic, before the security net had tightened.

Meanwhile, the developing debate in Belfast is really to do with the new order which the Prime Minister seemed to be advocating and which Opposition MPs have long demanded, albeit in no clearly defined way. London is directly involved, and Dublin, too, is an interested party. But on all sides there must be acceptance of one prerequisite to any political compromise.

The troubles in Northern Ireland will not be solved in the context of a united Ireland—at least, not for the foreseeable future—and in the present climate of tension here it is nothing short of recklessness for anyone to hold out reunification as a panacea.

The majority of the Ulster population does not wish to join an all-Ireland Republic, and any attempt at coercion to bring this about would merely extend the violence. Equally, there is need for a recognition, in London as well as in the two Irish capitals, that some fairly radical political initiative is overdue. Internment may have bought a little time for the politicians, but the violent reaction to it by the minority—and not all the violence was inspired by IRA gunmen—suggests that there is precious little time in fact. The Army itself appreciates (to paraphrase the GOC, General Sir Harry Tuzo) that it can hold the line only while the politicians work out the long-term answers.

Clamour

The present clamour on many (non-Unionist) sides for immediate tripartite talks between the London, Belfast and Dublin Prime Ministers is unrealistic, since Mr. Faulkner would almost certainly not survive his very decision to attend, never mind the outcome. Protestant extremists, who already control many of the Unionist Party constituency committees, see themselves as custodians of the constitutional status of the province. To them, any truck with Dublin, no matter how indirect, is tantamount to supping with the devil.

A real initiative, therefore, must rest to a considerable extent with Mr. Jack Lynch in the Republic. Mr. Hillery, the Irish Foreign Minister, is due to meet Mr. Maudling for talks in London to-morrow and at this stage Mr. Lynch is scheduled to meet Mr. Heath in London on October 20. These two men between them—Mr. Heath and Mr. Lynch—now hold a great measure of the responsibility for damping down the violence here.

Considering his own political position in Dublin, where dissidence in the ruling Fianna Fail Party could easily bring down his Government, it is asking too much of Mr. Lynch to legally recognise the existence of Northern Ireland. But all talk of unity needs to be put aside, as indeed the Labour Party in the Republic has already suggested.

Instead, what is now wanted is a formula to give the minority here a positive involvement in Government, or some weighted political representation reflecting its numerical strength, without disturbing the existing constitutional status of the province.

Troops standing by in the Catholic Ardoyne area of Belfast, Monday, as Protestant families evacuate their homes.

Involving the Dublin Government directly in a search for such a compromise will certainly antagonise many Protestant extremists, but the reality is that Dublin is already involved, since a very sizeable minority here look (however disappointedly) to Mr. Lynch rather than to Mr. Faulkner as their ultimate "protector."

In a situation of continuing confusion, there is at least one hard reality, which is that it is just inconceivable that any political formula sufficient to satisfy the aspirations of the minority here can be found without involving Dublin. Mr. Faulkner, being a realistic politician, no doubt privately accepts this, but he is inhibited from saying so in public and it is not in the interests of either London or Dublin that he should be forced to do so.

Equally, the intransigence of extremistis should not be able to dictate a situation whereby 12,000 British soldiers must be on hand—with all the signs of a permanent role—to enforce the writ of an administration which some four out of every ten of the population believe to be partisan.

Stormont Ministers have been genuinely hurt by the immediate reaction of Mr. Lynch in condemning internment. Yet the Dublin Premier has shown himself to be a man utterly opposed to violence, and he might well have been prepared to co-operate directly in security measures here (and may yet do so) provided he could convince his own people that his brand of quiet diplomacy with Whitehall could produce real political concessions for the Nationalist minority here.

New ideas

He has already told the minority that his Government is the "second guarantor," after Britain, to see that political, social and economic reforms are introduced, yet increasingly in recent weeks he has privately doubted his own ability to influence Whitehall. In fact, the explanation for the speed with which Mr. Lynch attacked the internment measures may well be found in the growing diplomatic gap between Dublin and London, itself a poor augury for success in the forthcoming Heath-Lynch "summit."

There is evidence to suggest, or at least it is accepted in Government circles in Dublin, that Whitehall under the Conservatives is not prepared to concede that the Republic has a vested interest, and a potentially very useful role to play, in a political settlement here. It is essentially a clash on the meaning of words: most Unionists see a "political settlement" as implying constitutional compromise; Mr. Lynch interprets it as a method of giving some meani ful political power to Catholic minority, while W minster appears to fall back the legality that "there can no change in the constitutio position without the approva the Northern Ireland Gove ment."

This form of deadlock n only encourage more people on to the streets. What may needed are some wholly r ideas for a sharing of politi power in Northern Irela without necessarily altering existing links between Storm and Westminster. The moder Catholic leaders here—and tl remain very much in majority, despite the IRA t rorism—would, no doubt, se for such an arrangement if could be worked out.

Mr. Faulkner, too, mi "buy" it and he remains alm certainly the only Unionist p tician who, in turn, could "se it to the majority.

The agenda for the Hea Lynch talks is now in the p cess of preparation. EEC a Anglo-Irish trade matters being included, but mainly a facade to take the spotli away from the real issues, wh must concern Ulster. Alre there are fears here of a Lond Dublin "deal" over the he of Belfast. Equally, there pessimism in Dublin that t Irish side will meet "the ine table constitutional stonewa What Mr. Heath must try for the middle ground, not in t context of Irish unity, t aimed at seeking to unify t bitterly divided community he in Northern Ireland itself.

This may well require so experimentation. The real ca for trying something new simply that the present syst has visibly failed.

Labour News

Near standstill at Triumph again

BY OUR LABOUR STAFF

PRODUCTION at Triumph Motors, Coventry, was at a near-standstill yesterday for the second day running as the result of three separate disputes.

Production of a further 460 vehicles was lost—1500s, 2000s, Spitfires and GT6s—taking the total to 920 with a retail value approaching £1m. Some 2,000 workers are laid-off until further notice and only Stag and TR6 production is continuing.

The most immediate problem for the company is the disruption being caused by 70 internal drivers who are involved in a manning dispute. By not removing vehicles from the end of the production lines the drivers —members of the Transport and General Workers' Union—have severely restricted the flow of vehicles.

Even if they return to normal working the combined effects of piecework dispute involving men working on a new—and as yet unannounced—model and the continuing overtime ban by Coventry toolroom workers will mean many of the 2,000 laid-off will still be unable to return.

● At Chrysler's nearby Ryton-on-Dunsmore plant pay negotiations covering 4,300 manual workers resumed. Yesterday the unions asked the management to improve on its £3 a week pay and conditions package and the management is considering certain propositions put to it.

BREWERY MEN'S DISPUTE SPREADS

The Manchester brewery workers' strike which has closed 60 public houses and affected 250 more, spread yesterday when 34 production and distributive men at Bass Charrington's Ashton-under-Lyne, Lancs., depot joined the unofficial stoppage at the Cornbrook brewery.

A further 70 houses, in the Ashton-under-Lyne, Oldham and Stalybridge areas will be affected, said a company spokesman. The men, who want an improved bonus scheme, met yesterday and decided to meet again to-morrow.

Hull dockers establish their own strike fund

BY OUR LABOUR REPORTER

£26,000-a-year fund has been t up by 2,800 dockers at Hull give financial support to mem-rs when there is a strike.

The dockers will pay 20p a eek to the fund. One of the en said last night that official ike pay for members of the ansport and General Workers' nion was only £5 a week. embers of the National Amalmated Stevedores and Dockers t nothing.

A new wage claim for Hull rkers is being prepared. They e expected to demand a shorter rking week, longer holidays d a substantial pay increase.

n London yesterday, a 15-point ge claim for 10,500 dockers it employers calculate could add 30 per cent. to the wages bill was again rejected by the employers. The two sides are to meet again next week.

The union side has rejected the employers' demand that the number of light duty men—there are about 800 in the enclosed docks—must be reduced before any pay increase can be conceded.

It was announced yesterday that the 3,300-member Watermen, Lightermen, Tugmen and Bargemen's Union was to merge with the Transport and General Workers' Union. A ballot of members of the lightermen's union resulted in 1,110 voting in favour of the merger and only 88 against.

AUEW conference on unions Act

BY ROY ROGERS, LABOUR STAFF

E 1.4m.-strong Amalgamated on of Engineering Workers is hold a rules revision conence in November to consider ring its rule book in the light he Industrial Relations Act.

he AUEW rule book—in mon with those of several er large unions including the nsport and General Workers ys that the union must be istered. In order to follow policy of de-registration under Act, the AUEW has therefore lter its rules.

t the same time the conence will consider an execu- recommendation that a al ballot system for the elec- of full-time officers would too costly. It is estimated it would cost £330,000 for first year alone.

r. Bob Wright, a Left-winger, been re-elected to the execu- of the AUEW engineering section for a further three years. He defeated Mr. Jim Griffin, the Right-wing shop stewards convenor at Triumph Motors, Coventry, by 12,767 votes to 10,579 in a 10.4 per cent. poll.

NORWAY WANTS BRITISH WORKERS

The Stord shipyard, in west Norway, is hoping to recruit about 50 British workers.

"The initial recruitment of some 25 workers is being undertaken in the Newcastle area in close co-operation with the British and Norwegian employment authorities," a spokesman for the Norway Trade Centre said in London yesterday.

Another Norwegian yard, Nylands Verksted, of Oslo, has taken 21 workers from the Newcastle area.

More Labour News on Page 12

Doubts on Crowther plan for consumer credit controls

BY MICHAEL BLANDEN

DOUBTS about the efficacy of the controls proposed by the Crowther Committee on consumer credit are expressed by Sir Alexander Ross in his annual statement as chairman of United Dominions Trust, Britain's biggest instalment credit group. In particular, he is concerned about the implication of the Crowther Committee's report that virtually free entry would be allowed into the leading business.

The chairman welcomes the policy aims of the report and the substance of its recommendations, but adds: "We believe that some of these recommendations will call for re-examination." Against the background of the freer lending climate proposed by the Bank of England's new form of credit policy, it is felt, closer control may be needed.

In particular, the chairman says, "the report's recommended removal of all restrictions upon the entry of lenders into the consumer market may also need to be re-appraised in the new economic environment."

It is felt at UDT that the Crowther proposals for creating a credit commissioner, with power to license all lending institutions, would not provide sufficient protection for the consumer against possible aggressive selling of credit.

Discussing the Bank of England's new credit policy, with its implied freedom of lending for all institutions within the proposed liquidity constraints, Sir Alexander points out that negotiations have been going on between the authorities and the institutions and "at this stage it is still difficult to form precise views of the conditions which will obtain later this year."

The effect on the instalment credit companies, he says, will in the short term be to "demand a careful review of funding, and to change the character of group liquidity." Looking ahead, however, "we are strongly placed to take full advantage of the opportunities that will arise from our ability to compete more freely."

University buildings on four stamps

THE Post Office yesterday announced details of four special stamps showing university buildings—the third series on British Architecture. They will be issued on September 22 and were designed at the Royal College of Art.

The 3p stamp shows the Physical sciences building of the University College of Wales, Aberystwyth, and the 5p Southampton's Faraday building.

The 7½p stamp shows Leicester University's department of engineering buildings and the 9p Essex University's Hexagon restaurant.

Borrowing from U.K. banks "cheapest in Europe"

BY MICHAEL BLANDEN

BORROWING from the banks is cheaper in Britain than anywhere else in Europe. This is the conclusion of an investigation of comparative banking costs reported in the Midland Bank Review.

The article surveys the ways in which bank finance is provided and how lending rates are determined in a number of the more important countries.

Comparing the true cost of bank finance—that is, taking account of commission, compensating balance requirements and other outgoings—it appears that in relation to official rediscount rates a first-class company can borrow substantially more cheaply in the U.K. than elsewhere in Europe. Moreover, even with Bank Rate at 6 per cent., the current cost of borrowing compares favourably with rates elsewhere in Europe.

It is suggested that moves towards greater alignment of banking practices can be expected in Europe. But this is not held to imply that the imposition of uniform commercial banking structures in all the member countries of the Common Market would be desirable, even if possible.

Looking at the gilt-edged market after the changes in official policy announced in May, the Review comments that they seem to mark a decisive shift in the direction in which the authorities have been pointing for several years past. The purpose is to limit fluctuations in the resources of the banking system arising from operations in the market, and more generally to leave more freedom for prices to be affected by market conditions and for others to operate if they so wish.

ROUND-THE-CLOCK PETROL STATIONS

With a growing number of self-service petrol stations now operating, the RAC has published a new booklet listing 250 of them. It also includes 100 stations offering a 24-hour service.

"Self-service petrol stations are increasing and becoming a part of everyday motoring," the RAC commented. "Of particular interest are those which provide a 24-hour service. We hope this booklet will be an aid to drivers and help them pin-point these stations."

The booklet is available free from any RAC office.

IATA to vote on fares package for N. Atlantic

MONTREAL, August 10.

DELEGATES to the International Air Transport Association meeting here will vote later on a new fare package for transatlantic flights, including a new youth fare and an advance purchase fare.

The youth fare proposals call for a round-trip flight from New York to London for \$195 (about £81) in the off season and \$225 (£93) peak travel periods.

The advance purchase plan calls for fares of \$199 (£83) and \$249 (£104). The only other new fare in the proposal is a \$200 group inclusive tour fare during winter months.

An IATA spokesman said the voting should be concluded by to-morrow.

In addition to the new fares, the proposal calls for lowering the affinity group fare by \$17 to \$180 (£75), during the winter, \$260 (£100) during peak travel periods and \$200 (£83) at other times.

First class fares would remain unchanged, as would economy fares and the 14-28 day excursion and 29-45 day excursion fares.

Reuter

FORBES INQUIRY ORAL EVIDENCE

The Forbes Inquiry into the registration of builders will be hearing oral evidence on September 13, starting at 2 p.m.

Anyone wishing to present evidence, who is not already in touch with the Inquiry, is invited to contact the secretary, Room S11/10, Department of the Environment, 2, Marsham Street, London, S.W.1; telephone 212.8568.

THE INDUSTRIAL RELATIONS ACT EXPLAINED

A short, practical guide to the Industrial Relations Act, containing a summary of the main provisions of the Act and a description of the action required by management and unions, is published by the Industrial Society. It is the first publication on the Act to be produced.

The 36-page booklet, *The Industrial Relations Act at Work*, costing 75p, includes a summary of the Code of Industrial Relations Practice, a check list of management action and a list of unfair industrial practices. Each page describes a section of the Act and its practical implications for management and unions.

It was written by Joan Henderson, author of the Industrial Society's guides to the Donovan Report and the Industrial Relations Bill. Mr. Henderson has been a personnel manager in three of Britain's largest industrial companies and has advised numerous companies on industrial relations problems.

Two SE brokers suspended

BY SANDY McLACHLAN

TWO Stock Exchange members, both partners in the 14-partner broking firm of Irwin and Co., have been suspended by the Stock Exchange Council under Permanent Notice 18, which refers to "bond washing and other operations."

Mr. John Irwin, the senior partner, has been suspended from entering the Stock Exchange for six months, and his fellow partner, Mr. Graham Croll, for nine months.

The infringement for which they have been suspended does not strictly fall into the category of "bond-washing" — which means the sale cum-dividend and the purchase ex-dividend of gilt-edged securities during t Settlement period, a practi which effectively turns a di dend liable for income-tax a surtax into a capital gain.

It is believed that this partic lar case refers to a highly techi cal argument over dealings in Imperial Tobacco Non-Cumu tive Preference stock.

COMPANY NEWS + COMMENT

Carlton Industries extra 2½% & scrip

[HI]GHER PROFITS and dividend [fo]r the year to March 31, 1971, [an]d a 1-for-8 scrip issue are [an]nounced by Carlton Industries, [wh]ich is controlled by London [Me]rchant Securities.

Profits before tax have risen [fro]m £1.68m. to £1.88m. The final [div]idend is 13 per cent. on [inc]reased capital to lift the total [from] 2½ per cent. to 20 per cent.

The scrip issue is one Ordinary [for] every eight Ordinary and/or [Def]erred shares held Aug. 23.

The year's results reflect the [ac]quisitions of Bristol Plant, [Co]mben and Wakeling, and [Ga]rdiner Sons and Co., and the [sa]le of the Sanitas group.

	1970-71 £000	1969-70 £000
[Gro]up sales	24,948	14,595
[Tra]ding profit	1,885	1,680
Bristol Plant	201	—
Comben and Wakeling	529	—
Gardiner Sons loss	65	—
Haddon Group	*660	519
[Ri]mmel	579	503
[Ch]esterham Press	62	51
Others	—	794
Parent interest, etc.	61	157
[Ta]xation	674	753
[Ne]t profit	1,211	927
[Mi]nority	186	143
[Att]ributable	1,025	787
Exceptional debits	15	—
[Pr]eference dividend	49	45
[Or]dinary	764	575
[Ret]ained	197	156

* Batteries £544,000 (£372,000) and nuts [an]d bolts £116,000 (£147,000).

The £65,066 loss by Gardiner is [bo]th unexpected and most disap[po]inting. However, during the [fir]st quarter of this year the [Ga]rdiner group has traded profit[ab]ly.

The 80.2 per cent. interest [in] Comben and Wakeling was [ac]quired in exchange for the [ca]pital of Carlton Homes and [£3]05,000 cash with effect from [Ja]nuary 1, 1971. Results are made [up] of the profits of Carlton Homes [fo]r nine months to December 31, [19]70, together with the profits of [th]e enlarged Comben and Wake[lin]g group for the three months to [Ma]rch 31, 1971.

For the current year the direc[to]rs are expecting a substantial [pr]ofit increase, and are confident [of] maintaining the 20 per cent. [di]vidend on the higher capital.

Activities of the group cover [en]gineering, house building, print[in]g, plant hiring, and the manufac[tu]ring of cosmetics, batteries, nuts [an]d bolts.

Meeting, Winchester House, E.C., [Se]ptember 2.

● comment

[In]dustrial holding groups are [pr]one to unexpected setbacks and [th]at is what has prevented Carlton [In]dustries from achieving its pro[m]ised "substantial" profits gain: [in] fact the group is up only a [m]odest 12 per cent. to £1.89m. [pr]e-tax, the culprit being the [al]uminium window subsidiary, [Ga]rdiner, which turned in a [£6]5,000 loss against a £160,000 [pr]ofit. Elsewhere, however, the [pi]cture has been fairly cheerful [wi]th a sharp upturn at Carlton [H]omes (now merged with Comben [an]d Wakeling), rapid growth in [th]e battery side of Haddon Group [an]d further steady progress by [Ri]mmel in cosmetics.

Yet an increase in fully diluted [ea]rnings from 5.34p to 5.55p a [sh]are is nothing to shout about, [es]pecially after a drop in the tax [ch]arge from 45 to 36 per cent. [It] would appear that the resources [re]leased by the sale of Sanitas to [LR]C at the beginning of the year [ha]ve yet to earn a decent rate [of] return, though that situation [sh]ould now be corrected given [th]at Carlton has cashed its LRC [se]curities for over £5m. At any [ra]te, the group is again venturing [a] forecast of a "substantial" [pr]ofits increase, and certainly [th]ere ought to be plenty of [re]covery potential in Gardiner, [an]d growth elsewhere—particu[la]rly on the housing side, which [is] aiming to sell 1,400 units against [..]0 last time. But there does not [a]ppear to be much immediate [sc]ope for the shares, now on an [a]mbitious p/e of 20.7 at 117p.

INDEX TO COMPANY HIGHLIGHTS

near *doubling in its share price.* The interim statement amply justifies this rerating as pre-tax profits have risen by 68 per cent. in the first half of 1970-71 excluding a first-time contribution of about £25,000 or so from recent acquisitions. On both the car and commercial vehicles sides there was an improvement in deliveries and the new Viva model has done particularly well, as has the new Opel dealership so far. The recent easing of credit restrictions has apparently already had an effect on demand so the group's optimism in relation to current trading looks justified. What this means in quantitative terms for full-year profits is not clear, but even on earnings of 9.8p for the last 12 months the p/e is only 7¼ at 71p.

Woodhouse & Rixson interim up

Woodhouse and Rixson (Holdings), forgemasters, reports an increase from £98,893 to £141,619 in profit for the half year to July 3, 1971, and is raising the interim dividend by 1 per cent. to 6 per cent.

No figures for Niagara Forge (Sheffield) are included in the 1970 result.

After tax of £56,600 (£43,000), the net profit came to £85,019 (£55,893). The interim absorbs £25,875 (£20,000).

In the year 1970, the company paid 15 per cent. from a net profit of £126,871, which included seven months of Niagara Forge.

Chairman Mr. B. Baker says in view of the poor trading conditions he is particularly pleased that turnover continued to increase, and trading profit is up substantially. "We shall continue to follow our growth plan as outlined in my statement in January."

● comment

Woodhouse and Rixson's acquisition of Niagara Forge *in June* 1970 precludes direct comparison of first-half profits with the corresponding period last year. Nevertheless, £142,000 pre-tax compares well with the £132,000 achieved in the second half of 1970-71 when Niagara was contributing to the figure, especially as order books early this year were subdued. Orders are, however, picking up now and the addition of one small mill together with increased productivity are expected to add to second half profits. So it seems reasonable to double-up for the year, indicating £284,000 and prospective earnings of 4.9p a share on the increased capital, against 4p in 1969-70. In the face of this, the p/e of 5.8 at 29p leaves the shares looking undervalued.

Statement Page 10

18% from David S. Smith

IN VIEW of the strong financial position of David S. Smith (Holdings) directors are recommending a 10 per cent. final dividend to make 18 per cent. for the year to April 30, 1971, against an equivalent 15.4 per cent. previously.

Pre-tax profits declined from £343,054 to £292,637 following the fall to £163,000 (£214,500) in the first half.

Chairman, Mr. David Smith points out that the downturn was restricted to the first half and the second six months remained comparable with the previous year.

There are now clear indications of an improvement in trade from which it is hoped to benefit in the second half of 1971-72 and directors are considerably "more confident" than was possible this *time last year.*

The group's activities are as photo-litho printers and carton manufacturers.

	1970-71 £	1969-70 £
Profit	292,637	343,054
Taxation	108,300	154,551
Net profit	184,337	188,473
Dividends	131,944	112,335
Capitalised	61,359	8,946

● comment

With profits unchanged in the second six months David S. Smith appears to have checked the slide noticeable in the first half, although it is worth pointing out that the latter period of 1969-70 was exceptionally depressed. The company is now, however, recovering some of the substantial cost increases incurred over the last 18 months but there are further wage awards in the pipeline. Nevertheless, with forward carton orders coming through at a much brisker rate than for some time, *the pressure on margins should* be eased. It looks then as if the outlook for the current year is somewhat brighter than it was 13 months ago, a fact apparently endorsed by the higher dividend, and the shares on a p/e of 9 at 47p should at least hold their own.

Midway rise for Adams & Gibbon

PRE-TAX profit of Adams and Gibbon advanced from £76,000 to £153,000 in the six months to May 31, 1971, and the interim dividend is raised 1 per cent. to 5 per cent.

Previous total was 14 per cent. paid from profit of £230,500.

The half-year results include contributions from the three subsidiaries acquired in May last year but the Board states that strictly comparable figures show an increase of more than 50 per cent. over last year's first half.

Chairman, Mr. G. A. Adams, says the group has benefited from the greatly improved delivery situation which the main suppliers have been able to sustain this year.

The directors are also "extremely satisfied" with contributions currently being made to earnings by the acquisitions and the chairman feels "very optimistic" about current trading opportunities.

	Half year 1970-71 £000	1969-70 £000
Turnover	4,252	2,523
Interest	35	23
Profit	153	76
Tax	65	34
Net profit	88	42

The Newcastle-upon-Tyne-based group operates as garage proprietors, motor dealers and motor engineers.

● comment

Against a rise of 45 per cent. so far *this year in the FT motor* and distributors index, Adams and Gibbon has roared away with a

Higher dividend by Hume

A FINAL dividend of 1.4375p by Hume Holdings raises the total from 2.1875p to 2.5p per 25p "A" share for the year ended June 30, 1971.

Revenue, before tax, shows an advance from £704,598 to £794,542 and earnings are ahead from £366,140 to £475,000.

Earnings on the average £4.26m. "A" and "B" capital outstanding during the year amounted to some 2.79p (2.575p) per share.

The capital dividend on the "B" shares cannot be finalised until the audit is complete, but the directors estimate it will amount to about 3.7 per cent. (4 per cent.).

	1970-71 £	1969-70 £
Investment revenue:		
Dividends and interest	682,542	620,319
Property revenue	782,052	686,207
Finance subsidiaries	524,701	325,267
Total gross revenue	1,999,295	1,631,793
Interest	894,756	723,585
Other expenses	309,997	203,608
Revenue before tax	794,542	704,598
Minority interest	116,100	119,308
Estimated tax	154,442	169,652
Net revenue	524,000	415,148
Pref. dividend	49,000	49,000
Earnings	475,000	366,140

Hume has contracted to sell its 100 per cent. holding in Ballsbridge Property Investments, as from June 24 for £955,594. Completion is expected in the next *few weeks. Main asset of* Ballsbridge is Hume House, a fully let modern office building. Net profit after tax of this subsidiary for the 51-week period to June 24 was £11,747.

The group figures for the year are not comparable due mainly to the acquisition of Huelva Securities, *Queensgate* Investment, the balance of the capital of Industrial Funding Trust and the disposal of holdings in Ballsbridge Property, South Mall Property Investments and Station Garages (Amersham and Chalfont).

Assuming full conversion of the *£3.16m. 5¾ per cent. Convertible* Loan stocks the net asset value per 25p share was about 66p (56p).

It is anticipated that the report and accounts will be posted on September 21 and that the annual meeting will be held on October 14.

● comment

Though Hume Holdings preliminary results for 1970-71 are not comparable with the previous year because of disposals and acquisitions, the rising trend of earnings of the past few years has *been continued. In addition fully* diluted net assets have advanced 18 per cent. after a 4 per cent. gain in 1969-70 and at the interim stage Hume attributed the progress to the property side. Since 1966 the group has increased net assets by 78 per cent. which, on the face of it, looks a good enough *record to justify a premium on* net worth. But, in fact, at 64p the shares are still standing at a 2p discount to the current worth despite a rise of a third in the shares from the year's low.

Avana net asset position

NET ASSETS of the Avana Group now stand at over £3.8m. and during 1970-71 nearly £250,000 was invested in new capital assets.

Chairman Mr. I. R. Rees says the group still has a high proportion of liquid cash resources, and these are being retained against *any favourable investment opportunity that appears.*

In the 53 weeks ended April 3 1971 sales rose by nearly £0.8m. to £8.82m., but profits fell sharply from £419,656 to £256,336. As reported July 6 the dividend is cut 5 per cent. to 15 per cent.

The chairman explains that although in his last report he indicated there were signs the group had overcome the difficulties experienced during the factory re-building programme, last year's economic circumstances changed so rapidly that all sections of the business suffered.

Within the meat pie division management problems were *experienced and considerable* reorganisation has been necessary.

Profit was struck after £4,290 compensation for loss of office to a director of R. F. Brookes.

Meeting of the group—which also makes cakes, confectionery, etc.—Rogerstone (Newport), September 3 at noon.

Trust Houses Forte

By Sandy McLachlan

NO clear solution has yet emerged to the deep rift in the Trust Houses Forte Board between the Trust Houses faction and the Forte's faction.

However, it is understood general recommendations put forward by the Trust Houses Forte Council have been considered by an informal meeting of available directors, and that they will be put to a full Board meeting next week. In a brief statement last night the company commented, "It is anticipated that progress can now be made."

It is clear that the council, which controls the group's voting structure but has no executive responsibility, has been treading very carefully in an attempt to patch up the split. It is believed that it put forward no names as suggestions to succeed Mr. Michael Pickard, whose sacking as managing director by the Forte Board members precipitated the crisis.

The chairman of Hill Samuel group, Sir Kenneth Keith (right), together with the deputy chairman, Mr. Robert Clark, at the Hill Samuel annual meeting held in London yesterday.

DIVIDENDS ANNOUNCED

	Current payment %	Date of payment	Corre-sponding div. %	Total for year %	Total last year %
Adams and Gibbon ... int.	5	Sept. 30	4	—	14
Ailsa Invest.	10	—	9	18	17
J. Bibby ... int.	1¾	Sept. 20	nil	—	1
Carlton Industries	(b)13	Sept. 23	11½	20	17½
Christy Bros.	16	—	13½	16	13½
Cromer Ring Mill ... int.	†2½p	—	2½p	—	5p
Crystalate	7½	—	7½	7½	7½
Davies & Metcalfe ... int.	2½	Oct. 6	nil	—	nil
David S. Smith	10	Oct. 1	9	18	*15.4
Hume Holdings	†1.44p	Oct. 15	1.13p	2.5p	2.19p
Lebong Tea	4	Sept. 15	10	10	10
Noble and Lund ... int.	4	Sept. 21	4	—	13
Slater Walker (S. A.) int.	10 cts.†	Nov. 16	7½cts	—(c)	20cts.
Squirrel Horn ... int.	5	Oct. 8	5	—	12½
View Forth Trust	3½	Oct. 13	3	5½	5
Woodhouse & Rixson int.	6	Oct. 12	5	—	15

* Equivalent after allowing for scrip issue. † Amount per share.
(a) Tax free. (b) On capital increased by rights and/or acquisition issues. (c) 15 cents final dividend already forecast.

Brickhouse Dudley optimism

CHAIRMAN of Brickhouse Dudley, Mr. R. Godfrey, tells members that for the first three months of the current year, despite the general adverse economic conditions, progress has continued.

In view of the impending increase of work in both the construction and building industry, from which, as yet, the group has not felt the impact of new business, he looks forward, with optimism to continuing increased sales.

As reported on July 16, pre-tax profits for the year to March 31, 1971, recovered sharply from £316,000 to £610,067 and the dividend is restored from 20 per cent. to 35 per cent.

The higher profits were achieved despite continuing increases in costs the chairman points out. The price of the bulk of the group's raw materials is basically controlled by nationalised industries, and in the case of coke, this alone has been increased by some 50 per cent. during the current year.

In the main, the greater proportion of increased profit is attri*butable to a "very rigid"* programme of rationalisation and mechanisation commenced four years ago, and as the chairman reported last year, product diversification.

At the year-end, Mr. E. R. Dudley had interests in 963,009 shares and the chairman in 893,750

The group manufactures and distributes a complete range of manhole covers and frames in cast-iron and steel, steel ducting, engineering, heating and builders' castings, etc. Meeting, Birmingham, September 9, at noon.

1% more from Ailsa

Ailsa Investment Trust is raising its dividend by 1 per cent. to 18 per cent. with a final of 10 per cent. *for the year ended May* 31, 1971.

Gross income totalled £372,531 against £362,601 and net revenue after Preference dividend came to £195,265 (£183,661).

Net asset value per 25p share was 106p (84p).

National and Grindlays

Agreement has been reached on the terms of a £2m. loan which National and Grindlays Bank is *making to the Bank of Uganda.* It is repayable by the end of 1975.

The shares of Grindlays Bank (Uganda) are to be held 51 per cent. by National and Grindlays and 49 per cent. by the Government of Uganda.

Crystalate holds 7½%

A maintained dividend of 7½ per cent. is recommended by directors of Crystalate (Holdings) for the year to March 31, 1971.

After crediting £35,280 (£35,585) consequential loss insurance, profits amounted to £93,813 against £95,954, subject to tax of £40,835 (£42,459).

Directors say some of the existing moulding activities have been merged with those of Reginald Corfield—recently acquired—and consequent interruption of production is affecting profitability *in the current half year.*

Thereafter, recent acquisitions are expected to make a substantial contribution to future earnings.

	1970-71 £	1969-70 £
Trading profit	58,533	60,369
Consequentl. loss insurance	35,280	35,585
Profit before tax	93,813	95,954
Taxation	40,835	42,459
Net profit	52,978	53,495
Preference dividend	6,000	6,000
Ordinary dividend	23,625	23,625

The group manufactures plastic mouldings, electrical insulating fittings, etc.

UNIT TRUSTS

VAVASSEUR

A new offer of units in Vavasseur High Income Fund is being made from to-day at 35.3p per unit to yield an estimated gross 8.5p. The current offer closes on Wednesday, August 18.

KLEINWORT BENSON

Kleinwort Benson Unit Managers announces an interim distribution of 0.5p net per unit, payable on September 30, on the income units of its Unit Fund.

M & G SPECIAL

The M & G Group announces that the interim distribution on Income units of the M & G Special Trust Fund for the accounting *period ending February 13, 1972,* will be 0.6p (0.542p) net per unit, payable on September 30, 1971.

ISSUE NEWS

SHORT-TERM LOCAL LOANS

Dealings are expected to start *to-morrow in the following local* authority loans.

London Borough of Lambeth (£½m.), Scottish Burgh of Armadale (£½m.), City and County Borough of Belfast (£½m.), Bishop Auckland Urban District Council (£½m.), Blackwell Rural District Council (£0.35m.), Borough of *Wokingham* (£½m.), County Borough of Bournemouth (£1m.), Chichester Rural District Council (£½m.), County Borough of Teesside (£½m.), Witham Urban District Council (£½m.), Worthing Rural District Council (£½m.), Banbury Council (£½m.), Thornbury Rural District Council (£½m.), Cwmbran Urban District Council (£½m.), Hinckley Urban District Council (£½m.), Rugby Joint Water Board (£1m.), Chadderton Urban District Council (£½m.), City and County of Bristol (£2m.), and City and Royal Burgh of Perth (£½m.) are all issuing 6¾ per cent. Bonds due *August 16, 1972, at par.*

Borough of Hemel Hempstead (£½m.), Magor and St. Mellons Rural District Council (£½m.), and London Borough of Richmond (£½m.) are issuing 7¾ per cent. Bonds due August 14, 1974, at 99¾ per cent.

The Armadale, Bishop Auck*land, Blackwell, Wokingham and* Hemel Hempstead issues were handled by S. G. Warburg and Long Till and Colvin; that for Belfast by S. G. Warburg and Packshaw and Associates; Banbury and Thornbury by Gerrard and National Discount Company; Cwmbran, Hinckley and Rugby by *Morgan Grenfell and brokers* Phillips and Drew; Chadderton by County Bank and Phillips and Drew; Magor by Cater (Brokers); and Richmond by Clive Discount in association with Long Till and Colvin.

Brokers to the other issue are R. Nivison to Lambeth, J. and A. *Scrimgeour to Bournemouth,* J. and A. Scrimgeour in association with Packshaw and Associates to Chichester and Worthing, J. and A. Scrimgeour in association with Long Till and Colvin to Teesside and Witham, and Pember and Boyle to Bristol and Perth.

UNION COMMERCIAL

In connection with issue by Union Commercial Investment Company of £5m. 6¾ per cent. Unsecured Loan stock, acceptances were received to the extent of £4,709,692 leaving £290,308 stock available for excess applications.

Applications totalling £560,229 for excess stock were received and allotment has been made on the following basis: for £1 to £1,000—in full, £1,001 to £2,000—£1,000, £2,001 to £5,000—£2,000, £5,001 to £10,000—£4,000, £10,001 to £25,000—£8,000. Over £25,000—approximately 18.5 per cent. of application.

NEW ZEALAND LOAN

The private placement of 7¾ per cent. 7-year Dutch Guilder Notes 1975-78 to be issued by New Zealand was fully subscribed for its maximum amount of DFls.60m. yesterday, the first day of the subscription period.

SCOTTISH TEA & RUBBER

The rights issue of 400,000 Ordinary 25p shares of The Scottish Tea and Rubber Trust Company was subscribed as to 85¼ per cent. The balance has been sold for the benefit of entitled holders.

MACE RAINBOW

Mace Rainbow and Stone announce that of the 1m. Ordinary 10p shares offered by way of rights 427,270 shares were taken up. The balance will be taken up by the underwriters.

HAMBROS

Hambros announces that holders of a total of £1,386,776 7 per cent. Unsecured Loan stock 1986 have applied for a total of 485,372 25p shares at 157½p each (the entitlement being 35 shares per £100 stock).

Subscription rights attached to £849,839 stock, with a total entitlement of 297,442 shares, therefore remain outstanding; the final subscription period will be in July, 1972, at 165p per share.

OTHER ISSUE NEWS
Carlton Industries, this page.

2½% extra from Christy

ELECTRICAL engineers and contractors Christy Bros. is raising its dividend from 13½ per cent. to 16 per cent. for the year to March 31, 1971.

The expected improvement in *profits turns out to be from* £58,952 to £110,957 after tax of £68,361, against £49,687.

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BIDS AND DEALS

Seafield rejects £14.3m. Sime Darby bid

Sime Darby Holdings, the Far East trading group with big interests in tractor and agricultural equipment supplies, is to make a bid for Seafield Amalgamated Rubber worth some £14.3m.

Terms have yet to be finalised, but already Sime has met with a sharp rebuff. Seafield yesterday described the offer as "basically misconceived, inadequate in value and unsatisfactory in form."

However, the Sime directors consider Seafield holders will be given the opportunity to maintain their existing investment in the Far East while at the same time benefiting from the more diversified base of a combined group.

Sime also has large plantation interests in Malaysia which, it is understood, the company feels fit in geographically with the 60,000 acres owned by Seafield in that country. Opportunities would arise for rationalisation and operation of larger units.

Mr. A. Marshall, chairman of Seafield, is opposed to diversification and felt that "a cobbler should stick to his last." Other plantation companies had gone into other things, but not always very successfully, he added.

An argument against the value of Sime's bid was that Seafield's plantations were increasing in value because of the move in the last 10 years from rubber to oil palms. There was now 40 per cent. of palm land which was worth twice as much as rubber land, said Mr. Marshall.

Seafield is not, however, averse to a link-up of plantation interests. A suggestion by Sime for a merger of plantations "would be a basis for discussion," explained Mr. Marshall.

Sime intends to offer a package consisting of around one-third in shares and the balance in unsecured loan stock and worth 55p for each Seafield share. This values Seafield at £14.3m. on the basis of a majority acceptance by Sungei Rinching holders of Seafield's recent share offer lifting its issued capital to £2.6m. in 10p shares. Seafield's shares rose 11p to 56p on the news, while Sime put on 2p to 90p.

N. M. Rothschild is advising Sime and full details of the terms are to be announced as soon as possible.

ASSOCIATES DEALS

Cazenove on Friday bought on behalf of associates of Watney ,000 Truman at 443p in addition to the 10,000 bought at 443p on Monday. On Monday they bought on behalf of an associate of Watney 17,160 Truman at 452p.

Samuel Montagu announces that on Monday Drakes bought ,000 Norvic and on the same day for associates of Drakes Dowgate and General Investments, bought 950 Norvic. Both purchases were made at an average of 62.92p cash.

Panmure Gordon on behalf of associates of Rowntree Mackintosh bought 12,500 Rowntree at 505p.

Rowe Swann bought on behalf of Bristol Street Group 10,000 Bluemel at 80½p.

Panmure Gordon purchased for associates of Grand Metropolitan 24,000 Truman Hanbury at an average of 452p.

NMC forecasts dividend rise

The deputy chairman of N.M.C. Investments has written to shareholders giving them certain information to assist them in deciding whether to dispose of their shares at 22p per share through the market following the offer by East Rand Consolidated.

For the first four months of the year ending March 31, 1972, share dealing profits of about £56,000 have been made against £29,901 for the whole of last year and trading of the wholly owned subsidiary, British Patent Glazing, shows "satisfactory improvement" in turnover and profit.

The Board expects to increase the dividend for the current year above the present annual rate of 10 per cent.

Net tangible assets attributable to holders at March 31 were about £752,000 or approximately 18.1p per share without taking account of tax relief on accumulated tax losses of about £1,050,000.

East Rand has informed NMC that it holds 968,500 shares (23.3 per cent.), of which 670,000 (16.1 per cent.) were bought at 22p per share on August 2.

Rediffusion Canadian sale details

Official details were given by Rediffusion last night of the sale of its Canadian cable-television interests—a move reported in the Financial Times last Saturday.

The subsidiaries are to be sold within the next two months for $3.5m. (£1.4m.) in cash. They are Rediffusion Inc., wholly owned by the British company, and Transvision (Eastern Townships), 66 per cent. owned. They supply 26,000 subscribers in Quebec province.

The purchaser is National Cablevision, which is 60 per cent. owned by a group headed by La Caisse de Dept et Placement du Quebec and some Quebec insurance companies.

A further 20 per cent. of Nation Cablevision is owned by the Welsh Group, which operates piped TV in British Columbia, and 20 per cent. by the Columbia Broadcasting System of the U.S.

Agreed £2.7m. BTRL bid for Miles Redfern

With the dust barely settled after letting its abortive bid for Silentbloc Holdings lapse, BTR Leyland Industries has agreed terms for the acquisition of Miles Redfern which put a value on the latter of £2.7m.

This comes just one week after British Vita finally admitted defeat in an attempt to acquire MR for £2.3m.

BTRL appears assured of success since the MR directors and certain other holders have irrevocably agreed to accept in respect of their holdings totalling 44.2 per cent. This, with the 157,500 MR shares already owned by BTRL, adds up to over 51 per cent. of the equity.

MR makes rubber and plastic products and textile carpeting for the motor and other industries. It is felt that these activities will be complementary to the wider range of BTRL's operations in the U.K. and overseas.

Terms of the offer are three Ordinary 25p shares, yesterday 3p down at 80p, for every two of MR. This puts a value on each MR share of 124½p, which compares with a closing price of 110½p, down 9½p. Shares issued will not rank for BTRL interim dividend in respect of 1971.

MR, in fighting off British Vita, made a defence forecast that pre-tax profits in 1971 would jump from £172,000 to £530,000.

Around the same time, BTRL had been attempting to take over Silentbloc, first with a £2.12m. offer in May and then with increased terms worth £2.63m.

MR has been advised by Hambros Bank, while BTRL's advisers were Hill Samuel, who will be sending out offer documents as soon as possible.

TWYFORDS REASONS NEXT WEEK

Sir David Barritt, chairman of Twyfords Holdings, reminds shareholders that the Board, after consultation with financial advisers, N. M. Rothschild and Sons, are convinced that the Glynwed offer should be rejected.

He says he will be writing to members again next week setting out in detail the reasons why the Board believes they should not accept. Meanwhile, they are strongly recommended to take no action with regard to their shares.

POSSIBLE LAIRD BID FOR REST OF SOLAR

Solar Industries announces that the Laird Group, in conjunction with N. M. Rothschild and Sons (financial advisers to Laird Group), is considering making arrangements to acquire the outstanding 46,016 Ordinary shares of 25p of Solar. The Laird Group at present owns 99.32 per cent. of the issued Ordinary.

Pending a further announcement, Solar holders are advised not to dispose of their shares.

HAMBROS DEAL APPROVED

At the extra-ordinary meetings of Hambros and Hambros Trust, resolutions were duly passed approving the acquisition by Hambros of 92,500 shares in The Investment Trust of 1932, representing effectively the 12½ per cent. interest in the equity of Merchandise and Investment Trust not already owned by Hambros.

The Stock Exchange has granted permission to deal in and quotation for the 600,343 25p fully paid shares of Hambros to be issued in satisfaction of the agreed consideration of £1.75m. Of these, 598,554 are to be alloted to Hambros Trust and 1,789 to Hambros Investment Trust.

ALLIANCE PROPERTY

Alliance Property Holdings has received some four or five individual approaches this year with a view to a possible merger. This was disclosed yesterday by Major G. Webb, chairman, in response to reports that a bid was on the way for Alliance.

Major Webb added, however, that nothing had come of any of the approaches. He declined to disclose which companies had expressed an interest.

There has been some fairly heavy buying of Alliance shares in recent weeks and they now stand at a record high of 109p, up 5½p yesterday, which compares with a 1971 low of 63½p. The company's brokers, Wontner Dolphin and Francis, last year estimated that Alliance's asset value would shortly be in the region of 200p a share.

Major Webb said he "would not be surprised" if there was a bidder on the sidelines. There were a number of property companies with residential portfolios like Alliance which would fit into a large concern. He revealed that First National Finance Corporation had shown interest "a long, long time ago," but there had since been no further approach.

DR. McDONALD & BSA

A spokesman for Kleinwort Benson, who are acting as merchant bank advisers to Dr. Daniel McDonald in his dealings with BSA, said last night Dr. McDonald would make his decision on whether to bid for BSA soon after returning from the U.S. where he is looking over BSA's American interests.

He is expected back some time over the week-end and in a very short time after he will make his decision whether to go ahead or not and if so on what basis," said the spokesman.

"We have an idea what sort of structure a bid could be, but what we can't do is to make a basis on the commercial decision," he added.

It is understood that Dr. McDonald is still very interested but the final decision hangs on a commercial evaluation. Yesterday, trade sources cames out with encouraging statistics on motor cycle sales—in the first six months sales jumped 32 per cent. to 51,388 with Triumph and BSA holding 82 per cent. of the market.

Bluemel forecasts growth

A 22 per cent. rise in pre-tax profits of Bluemel Bros. to £200,000 in the year to October 2, 1971, and a three-point increase in the dividend to 18 per cent. are forecast in the promised letter to shareholders from Mr. E. J. Scott, chairman, in which he again urges rejection of the Bristol Street Group increased offer.

Mr. Scott also discloses that the acquisition of Ray Engineering—negotiations for which were suspended following the BSG bid—has now been agreed. However, the Ray directors, owning some 54 per cent. of the equity, will only accept if the BSG offer is rejected. Purchase price for Ray will be about £167,000. Pre-tax profits of £27,000 in the year to July, 1971, are expected by Ray on a turnover of £183,000.

Arguing against the BSG bid, Mr. Scott again stresses there is no commercial logic. And he points out that on the basis of forecast profits, the BSG terms give an exit price earnings ratio of only 12.1 compared with 22.8 of the Financial Times Index for motor and distributor sectors. "BSG are still trying to acquire Bluemel on the cheap," says Mr. Scott.

For the future, Mr. Scott sees a substantial increase in demand at prices which will lead to continuing profit growth.

An extraordinary meeting to approve an increase from £500,000 to £530,000 in the authorised capital to allow for the acquisition of Ray will be held on August 25, in Coventry.

MINING YEAR BOOK 1971

Once again—for the 85th year running—Walter R. Skinner's Mining Year Book makes its annual appearance. The 1971 edition has grown to 771 pages from last year's 691 pages and, as usual, it is packed with facts on the world's mining companies.

This standard reference work costs £5 per copy post paid, or $15. For airmail delivery it is priced at £8, or $24. It can be obtained from: Mining Year Book Ltd., Vintry House, Queen Street Place, London, EC4R 1BA.

Better picture at G. Kent

A MOST encouraging profit has been achieved by the George Kent group in the first quarter of the current year, reports the chairman, Mr. John Vaughan.

Contributory factors have been price increases and a stringent tightening of control on revenue expenditure, and the resurgence in the American market for Cambridge equipment.

Mr. Vaughan says there is every prospect of results being at least on plan at the half year, in spite of continuing weakness of investment in capital industries but which hopefully will improve as a result of the Chancellor's recent measures.

The long-established companies in Australia, South Africa, Malaysia and Thailand continue their controlled expansion and profit growth. In North America a new company is being formed to handle the full range of instrumentation and control business.

In Europe, plans are in hand to provide operations as necessary with manufacturing facilities to support their sales and service activities, to increase the impact of the group's presence and to obtain deeper market penetration.

Turning to liquidity, Mr. Vaughan says the sale of the electrical products division for £3.33m. solved the problem in the short term. Of the consideration £1.5m. was on short-term deposit at March 27, 1971; the total has since been applied in reducing bank borrowings, which amounted to £9.28m. at the year-end.

The chairman stresses that further steps were necessary to maintain and improve the situation in the longer term.

Among initial steps taken were the reduction of some 11 per cent. in the U.K. payroll, without reduction of planned output, and the amalgamation of certain like companies resulting in the liberation of some 80,000 square feet of factory space in five centres on which it is expected to realise in excess of £300,000.

Net effect of these and other measures has been to turn a cash out-flow of £150,000 in the first three months of 1970-71 into a net in-flow of some £550,000 in the first quarter of the current year, before taking any account of realisations. Action to further strengthen liquidity is continuing.

As reported on July 23, group sales for the year ended March 27, 1971, were £35.98m. (£37.82m.), trading profit was £2.04m. (£3.15m.) and net loss attributable £504,000 (profit £1.46m.). The dividend is 3 per cent. (11 per cent.).

A split of turnover and trading profit shows: Africa £1.16m. and £243,000; The Americas £2.29m. and loss £134,000; Asia £1.93m. and £132,000; Australasia £3.11m. and £365,000; Europe £3.16m. and £667,000; U.K. £24.32m. and £770,000.

Exceptional charges of £794,000 represent a swing of £1.1m. from the 1969-70 results; they include costs on extensive reorganisations and costs of re-acquiring Cambridge Scientific Instruments franchise for its scientific products in the U.S. in anticipation of a resurgence in that market.

Pre-tax profit was also further reduced by the management's adoption of "a much harsher attitude" to the value of slow moving stocks.

Compensation paid to former directors totalled £63,000.

The group is principally engaged in the design, manufacture and marketing of industrial and scientific instruments and metering devices.

At June 30, The Department of Trade and Industry held 24.55 per cent. of the votes and the Rank Organisation held 18.2 per cent.

Slater Walker (South Africa)

As forecast in April, directors of Slater Walker Securities (South Africa) have declared an interim dividend of 10 cents per share for 1971. A 15 cents final has already been foreshadowed.

Last year's total of 20 cents included a 7½ cents interim.

Profits for the half year to June 30 amounted to R1,472,491 after tax of R624,828. Minorities take R165,050 and after the Preference dividend, R13,000, the profit attributable to Ordinary was R1,294,441. Earnings per share are shown as 19.2 cents.

Results for the first half are most satisfactory, say the directors. Due to seasonal trading in some of the subsidiaries it is customary for the second half to show a higher level of profit than the first half. Comparative figures for 1970 are not available.

Statement Page 10

MINING NEWS

Malayan tin twins earn more

BY KENNETH MARSTON

HELPING to bring a little interest to a long-dormant Tin share section comes news of usefully higher profits earned in the year to June 30 by Malayan Tin and Southern Malayan Tin. Profits of the first-named London Tin Corporation group company before tax and transitional relief are estimated at £2.13m. against £2.07m. while those of the sister concern are put at £1.71m. against £1.46m. in the previous year.

Both have increased tin concentrate production in the past financial year. Malayan has turned out 3,830 metric tons against 3,370 tons in 1969-70 while Southern Malayan has produced 3,273 tons compared with 2,856½ tons in the previous 12 months. On the other hand, the average price for cash tin on the London Metal Exchange during the latest period has been £1,477 per ton compared with £1,529 in 1969-70.

Tin prices are currently in the £1,420-£1,440 region and, thanks to the efforts of the International Tin Council's Buffer Stock manager they have been saved from the "boom and bust" extremes which have been seen in some other metals. By the same token, the near-term current outlook for tin is not exciting, but it is not depressing either and the producers should thus continue to turn in reasonable earnings.

Malayan has already lifted its interim for the past year slightly to 4p and a modest increase in the final to 8p seems possible. Southern Malayan has paid an unchanged interim of 5p and a small increase over the previous year's final of 7½p could be made. At last night's prices, Malayan showed a yield of 8.1 per cent. and Southern Malayan returned 15.2 per cent.

MORE COPPER AT INYATI

Ore reserves at Coronation Syndicate's Inyati copper mine in Rhodesia are reported to be making a still healthy showing. At June 30 they are understood to have amounted to 1.1m. metric tons with an average grade of a good 2.37 per cent. copper. This compares with the post-September 30 enhanced estimate of 0.8m. tons running 2.31 per cent.

Total reserves at the group Arcturus, Mazoe and Muriel go mines are now put at 330,000 tor with an average gold value of 14 grammes (9.45 dwts) per to Coronation, which is a member the Lonrho group, is incorporate in South Africa.

Because of financial stringenc the company is not expected to r turn to the dividend list until th next financial year which runs September, 1972. The shares ease to 67p yesterday.

SOUTH AFRICAN GOLD PROFITS

Working profits from the gol uranium, acid and pyrite produ tion of South Africa's gold mine in the June quarter totalle R72.16m. (£42.09m.), compare with R72.91m. for the correspon ing period of last year.

This makes an aggregate for th first six months of the curre year of R143.22m. as again R150.80m. for the first half of la year when the total reache R299.67m. The total for 1969 w a record R325m.

The latest quarterly profit, a increase on the first three mont of the year, may well be surpasse by the figure for the current thre months in view of the rece sharp rise in the free market pric of gold. The latter touched $44 at one stage on Monday, th highest international level sinc the introduction of the two-ti system in March, 1968.

INCO HOPES IN NEW CALEDONIA

From Paris, Reuter repor that next month a new round negotiations is expected to g under way between Canada International Nickel and th French authorities for the settin up of a second consortium exploit nickel ore deposits in Ne Caledonia.

This follows a delay in the dec sion to go ahead with the Cofin pac project, as reported he last Friday. In London a spoke man for Inco reaffirmed th company's continuing interest New Caledonia, but was unab to comment on the latest repor

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price p	+ or —	Div. % or Amount	Times Covered	Gross Yield %	P/E Ratio
[illegible]	F.P.	3/9	82	76	Allied Polymer	77	+½	b18	1.5	5.8	15.3
[illegible]	F.P.	—	168	150	Berwick Timpo (£1)	167	......	b6	2.6	3.6	10.5
[illegible]	75	15/12	89	67	Border & Southern Conv.	82½	—⅛	—	—	—	—
[illegible]	F.P.	11/8	165	132	British & Can. Inv.	140	—2	9	—	1.6	—
—	—	—	135	99	Burton Grp. Warrants	120	—4	—	—	—	—
—	F.P.	—	45	40	Cap. & Counties Warrants	45	+3	—	—	—	—
[illegible]	F.P.	21/7	43½	40	Coley-Rotolin Grp.	40	......	b10	1.7	6.2	9.3
[illegible]	F.P.	30/7	59	50	Commodore Secs.	54	......	b12½	2.2	2.3	20.0
[illegible]	F.P.	—	61	53	Cosalt	58	......	b16	1.8	6.7	8.1
[illegible]	F.P.	11/8	98½	90½	Evans of Leeds	95	......	b16	1.4	3.9	18.1
[illegible]	F.P.	27/8	56	52	Forminster 10p	54	......	b37½	1.4	6.9	10.3
[illegible]	F.P.	5/8	103½	97	Glendevon Inv.	99	—½	Δ12	—	3.0	—
[illegible]	F.P.	5/8	115½	100½	Do. Do "B"	107	—1½	—	—	—	—
[illegible]	F.P.	3/9	123	112	Kettering Motor Serv 10p	118	—3	b40	1.6	3.4	17.9
[illegible]	F.P.	27/8	62	55	Lawdon (10p)	62	......	b35	1.8	5.6	9.9
[illegible]	F.P.	4/8	45½	33	Lincroft Kilgour (10p)	37	......	b27	1.9	7.3	7.0
[illegible]	F.P.	11/8	265	240	Matthews Wright'n 20p	243	+2	b40	1.9	3.3	15.9
—	F.P.	16/9	70	65	Mucklow (A. & J.) Dfd.	70	......	—	—	—	—
[illegible]	F.P.	26/8	85	72	NSS Newsagents (10p)	78	+1	b22½	2.2	2.9	15.2
—	F.P.	—	86	70	Schlesinger (R1)	70	—2	b4.2	—	5.5	—
[illegible]	F.P.	3/9	68½	66	Thanet Inv. (50p)	67	+1	—	—	—	—
[illegible]	F.P.	3/9	34	33	Do. Warrants	33	......	—	—	—	—
[illegible]	F.P.	4/8	81	71	Tranmer Grp. (10p)	76	+1	b40	1.7	5.3	11.3
[illegible]	F.P.	—	18	16½	Wright-Scriven (12½p)	16¾	......	b12	1.5	9.0	7.4

FIXED INTEREST STOCKS

Issue Price	Amount Paid Up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price £	+ or —
[illegible]	F.P.	—	99	99	Airlease 9% Guar. $Bds. 1986	99	......
[illegible]	F.P.	—	99½	99	Do. 8½% Guar. $ Notes 1976	99½	......
[illegible]	F.P.	—	100	96	Armour Tst. 10½% Part. Conv. '91-6	100	......
[illegible]	£25	16/10	28¾	24½	Automotive Prods. 10.4% Deb. '96-2001	26	......
[illegible]	£35	29/10	36½	34½	Brady (G.) 11% Deb. 1991-96	34¾	......
[illegible]	£50	31/12	60½	50	Bristol E. Pst. 10½% M. Deb. '91-6	50	......
—	F.P.	22/7	95¼	92½	Brit. Land 9½% Uns. 1978	94	......
[illegible]	F.P.	7/7	98	94	Brittains 10½% Conv. 1991-96	97	......
[illegible]	F.P.	19/8	106	95	Cannon St. 9½% Part Conv. 1976	99	+1
[illegible]	F.P.	6/8	93¾	93¼	Cap & Counties 9½% Uns. '91-6	93¼	—¼
[illegible]	F.P.	6/8	109	105½	Cattle Hlds. 9% Conv. '87-91	108½	......
[illegible]	F.P.	—	89	85	Central & Sheer 10% Uns. 1981	89	......
[illegible]	nil	18/8	11¾	6	Chloride 7¼% Conv. 1986-91	11½pm	—¼
[illegible]	F.P.	8/9	100	99¼	City Acre 10.2% 1st. Mort. '91-6	100	......
[illegible]	F.P.	18/8	115	98½	Cornwall Prop. 10% Partly Conv. 1976	106	......
[illegible]	£25	14/1	[illegible]	27	Distillers 10½% Uns. Ln. '93-8	27¼	—½
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Hargreaves 10½% Deb. '92-97	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	I.C. Gas 7¼% Conv. 1990-95	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Ireland 8¾% Stock 1991-96	[illegible]	[illegible]
[illegible]	[illegible]	17/9	[illegible]	[illegible]	Kent Castings 10% Part. Conv. 1976	102	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Kleeman 7½% Conv. 1991	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Mid. Sth. Water 10% Red. Pf. '77	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Newman Inds. 10½% Conv. '92-7	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	North'ptn Corp. 9% Red. Stk. '76-8	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Rand Elect. 9% Conv. '95-2000	[illegible]	[illegible]
[illegible]	[illegible]	16/9	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	7/10	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
—	—	—	[illegible]	[illegible]	Rothschild Inv. 4¼% Deb. Stk.	41	......
—	—	—	[illegible]	[illegible]	Do. 5% Cum. Pref.	47	......
—	—	—	[illegible]	[illegible]	Do. [illegible]	[illegible]	......
[illegible]	[illegible]	13/8	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Sandvikens 9% $ Bonds 1986	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Sheepbridge Eng. 10% Deb. [illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Temple Bar 10½% Conv. [illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Throgmorton Tst. [illegible]	[illegible]	[illegible]
[illegible]	£25	[illegible]	[illegible]	[illegible]	Union Comm. [illegible]	[illegible]	[illegible]
[illegible]	£10	15/9	[illegible]	[illegible]	Wrexham & R.D. 10% Red. Pref. 1977	[illegible]	+½

"RIGHTS" OFFERS

Issue Price	Amount Paid Up	Latest Renunc. Date	Stock	Closing Price p	+ or —
[illegible]	Nil	3/9	Atlas Stone	10pm	+2
[illegible]	Nil	[illegible]	[illegible]	66	[illegible]
[illegible]	Nil	27/8	Bougainville Mines	[illegible]	[illegible]
[illegible]	Nil	[illegible]	[illegible]	196	[illegible]
[illegible]	Nil	[illegible]	Born	11pm	—3
[illegible]	Nil	12/8	British Enkalon	15½pm	[illegible]
[illegible]	Nil	25/8	Gillspur Inv.	[illegible]	[illegible]
[illegible]	Nil	[illegible]	Sheepbridge Eng.	[illegible]	[illegible]
[illegible]	Nil	13/8	Shipton Automation	[illegible]	[illegible]
[illegible]	Nil	9/8	Tilbury Contracting	138	[illegible]
[illegible]	Nil	20/8	Wolsey-Hughes	[illegible]	[illegible]
[illegible]	Nil	26/8	[illegible] Carpets	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. [illegible]

INTERNATIONAL COMPANY NEWS + EURO MARKETS

Montedison profits drop sharply in first half 1971

BY OUR OWN CORRESPONDENT MILAN, August 10.

PROFITS of the Montecatini Edison group showed a sharp decline in the first half of this year, reflecting the deterioration of the group's position already forecast by recently-elected chairman, Signor Eugenio Cefis.

Gross profits on a pre-depreciation basis fell to Lire 31,087m. (£20.7m.) from Lire 72,067m. in first half 1970. However, when increased depreciation of Lire 90,084m. (£60m.) is taken into account it can be seen that the group suffered a net loss of nearly Lire 59,000m. over this period compared with Lire12,800m. in the first half of 1970.

The best results were achieved from overseas subsidiaries and exports, while the home-based companies in the group were badly affected by sharply higher labour costs, production difficulties and the Italian recession which has cut down demand for group chemical and other products.

Total group turnover actually rose 4.3 per cent. to Lire 1,074,295m. (£665m.), but this was mainly attributed to higher prices and more than offset by higher costs. The main turnover increase came from the Petrochemical Division, which rose 16.7 per cent. to Lire277,000m. However, this was mainly accounted for by a 13 per cent. rise in petrol prices and offset by a 15 per cent. increase in labour costs, so that overall profitability fell.

Turnover of the Textile Division also rose 7.6 per cent. to Lire 169,000m., but this was mainly due to new plant coming on stream in France and Spain, while a 31 per cent. rise in labour costs and lower prices effectively increased already heavy losses.

Even the Stores Division, which contains the Standa department store chain and is usually the group's star performer, only showed a disappointing 3.5 per cent. rise in turnover, reflecting the downturn in the Italian economy. Production difficulties and lower export prices for fertilisers, particularly in Eastern European markets, caused a 12 per cent. drop in turnover of the Agricultural Division.

The results were contained in a letter which Signor Cefis sent to shareholders. It contained no forecast for the remaining six months but little progress can be expected until the Italian economy as a whole resumes its growth pattern after 18 months of stagnation.

DM100m. Yokohama loan to be issued at par

BY CHRISTOPHER LORENZ FRANKFURT, August 10.

THE HEAVY DEMAND for foreign D-mark issues has enabled the price for the City of Yokohama's forthcoming DM100m. loan to be set at par.

The Deutsche Bank, lead manager of the Yokohama consortium, announced that the issue will come to the market on August 16. This is the day the Central Capital Committee holds its next meeting. The Yokohama paper will be probably quoted on all German stock exchanges.

The other DM100m. foreign loan approved at the Capital Committee's last meeting, Quebec Hydro-Electric Commission, is expected to come to the market within the next fortnight. The price is at present expected to be around 99½ per cent. Westdeutsche Landesbank Girozentrale is the consortium leader.

Since the floating of the D-mark and the ensuing ban on the payment of interest on no-residents' accounts here, all foreign DM loans have been snapped up by eager investors, almost entirely from outside Germany and often reportedly from Switzerland and France.

Only two foreign DM loans have been issued since the June ban on new paper was lifted. Glaxo, whose DM75m. carried a price of 98½, was trading to-day at around 101½, while Newfoundland's DM80m., with an issue price of 98½, was being quoted at around 100¾. All these loans carried, or are expected to carry, a coupon of 8 per cent.

VW forecasts lower S. African earnings

UITENHAGE, August 10.

VOLKSWAGEN of South Africa said present estimates for financial year ending December 31, 1971, indicate profits will be slightly less than Rand 2m., against Rand 2.57m. in 1970.

This is still a level of profit which will enable the company to maintain its present dividend rate of 25 cents a share.

The company is still dependent to some extent on imports of components from Germany, and has been faced with rising costs because of the floating of the Deutschemark and cost increases overseas, it added.

Adverse effects of this, and local cost increases, could only be partly counteracted by internal steps to improve efficiency and reduce overheads.

Further cost increases caused by the international, economic and monetary situation are expected. The profit outlook, therefore, is dependent on improved vehicle markets, particularly for passenger cars.

Volkswagen said in the first half 1971 local passenger car market totalled 82,362 vehicles, a decline of 13.5 per cent. from same 1970 period. Although Volkswagen improved its market share to 15.7 per cent. from 14.9 per cent., total sales of VW cars were lower.

Reuter

CANADIAN PACIFIC DOWN

TORONTO, August 10.

CANADIAN PACIFIC said net operating profit fell to $30.8m. (equal to $2.03 a share) in the first half this year from $32.7m. ($2.16) in the same 1970 period.

Revenues were not disclosed, but the company said 1971 net earnings exclude a $2.4m. extraordinary gain, equal to 17 cents a share, while the 1970 results were re-stated.

Also, there will be a special meeting of Canadian Pacific shareholders in Montreal on September 13, to consider changing the par value of the company's Ordinary shares from $25 to $5 each. Reducing the par value of the Ordinary shares is equivalent to a five-for-one split of the stock and is expected to result in broader ownership and improved marketability.

ROME CHOSEN AS FOREIGN HQ FOR GULF & WESTERN

By Peter Tumiati

ROME, August 10.

THE international headquarters for all operations outside the U.S. and Canada of the Gulf and Western conglomerate which have been set up in Rome have started to operate. Earlier this year the chairman of Gulf and Western, Mr. Charles Bluhdorn, announced that a twelfth operating group was being formed within Gulf and Western to handle all the conglomerate's overseas activities and spearhead their growth. An Italian, Sig. John Salvi, was appointed to head it.

Last year Gulf and Western, which is little more than 10 years old, reported sales totalling $1,630m. and net earnings for the year, excluding securities transactions, of $49.8m. All its 11 groups covering distribution, consumer products, metals forming, food products, systems, forest and paper products and industrial products reported profits from their operations.

The new twelfth group has been given the task of raising the conglomerate's overseas sales from $100m. to $500m. in five years. Its interests go from distribution in Mexico City to real estate in Italy, films all over the world (Gulf and Western has control of Paramount), car component parts, aluminium and zinc, engineering in Japan and oil in Indonesia.

SW.FR.80M. ALCOA BOND ISSUE

ALCOA Finance Corporation, of Wilmington, Delaware, yesterday announced a Sw.Frs.80m. 15-year bond issue bearing an interest rate of 6½ per cent. and priced at 100 per cent. net. The offering period will be August 23-26. Underwriter of the bond issue is a Swiss banking consortium under the management of the Swiss Bank Corporation. The loan is guaranteed by Aluminum Company of America. Its purpose is to reimburse medium- and short-term loans and to grant loans to affiliated companies.

NORTH AMERICAN TIMBER

Hit by others' labour disputes

BY ART GARCIA, CALIFORNIA CORRESPONDENT

MAJOR American forest products companies, after generally reporting impressive gains in the first half of 1971, suddenly found their industry rocked in July and August by the recently-ended U.S. railroad strike and the still continuing dock strike at West Coast ports. The economy of the 12-State western wood products region through the end of July had lost an estimated $47.1m. because of the labour disputes, or about $7.5m. a day.

The Western Wood Products Association is now seeking help from Congress, and has even tried unsuccessfully to win an amendment to legislation to help Lockheed Aircraft that would provide for emergency loans to forest products and related industries hurt by the transportation stoppages. The association warns that continued and expanded strikes "will do much more than bring to its knees a lumber industry just beginning to recover from the depressed housing market of 1970."

Another industry group, the Forest Industries Council, also called on Congress to take immediate steps to avoid "another costly and damaging" transportation labour walk-out. In a position paper the FIC said that "although it may appear to Congress and the public that rail service has been restored by the agreement signed on August 2 between the railroad unions and management, the threat of future strikes continues to exist." The recent rail strike was the eighth in as many years. Had the rail stoppages lasted through August, they would have cost the U.S. economy $50,000m., according to the U.S. Council of Economic Advisers.

A pair of Canadian companies joined a number of American forest products corporations in reporting improved sales in the first half of 1971. MacMillan Bloedel, of Vancouver, Canada's largest forest products company, in the first six months of this year saw its sales climb to $343.5m. from $324.1m. in the like period a year ago. Profits, however, were trimmed at mid-year, falling to $9.1m. or 43 cents a share from $11.2m. and 54 cents a year earlier.

J. V. Clyne, MacMillan's chairman and chief executive, said that during the second quarter this year "a recovery of the Canadian and U.S. economies, although somewhat uncertain, created an improvement in demand in the building materials field. Simultaneously, our sales of newsprint improved in the western region market. result, sales and other income for the six months increased."

But, he added, "this increase derives entirely from operations in the second quarter of 1971. Notwithstanding better markets in some sectors and firmer prices for lumber and plywood, industry profit margins in general for these products have remained below reasonable levels," lowering the company's first half net earnings. This year's second quarter earnings, though, represent "a sharp improvement over the very depressed profit levels which prevailed during the first quarter," Mr. Clyne noted.

British Columbia Forest Products, also headquartered in Vancouver, had first half sales of $63m., up from $61.8m. in the comparable 1970 period. Earnings gained to $2.2m. or 51 cents a share from $1.9m. and 42 cents per share last year. Higher shipments and better prices for nearly all products were credited for the company's sharp second quarter improvement over this year's first quarter.

Potlatch Forests, Inc., of San Francisco, led the U.S. lumber companies in first half gains; logging net income of $4.2m. or 57 cents a share, compared with $2.1m. and 30 cents in 1970. Sales rose to $173.3m. from $159.4m. Evans Products Company, of Portland, Oregon, netted $7.9m., or $1.06 a share, in the half, against profits a year ago of $5.4m., 82 cents a share. Sales increased to $324m. from $272m.

Georgia-Pacific Corporation, also Portland, had six month net income of $41.9m. or 82 cents a share, compared with $40.7m. and 79 cents a share in the first two quarters of 1970. Sales jumped to $678m. from $576m. And Pope and Talbot, Inc., also based in Portland, recorded only a slight gain in sales for the first half, $24.5m. against $24.4m. a year ago, and saw its profits in the period slip to $1.3m. or 73 cents a share from $1.5m. and 81 cents per share. Pope and Talbot's second quarter profits, however, improved to $1m., or 54 cents a share, from $601,000 and 36 cents a share last year.

Weyerhaeuser Company, Tacoma, Washington, was hard hit in the half, its net income falling to $52.3m. or 77 cents a share from $68.8m. and $1.05 a share in the similar 1970 period. Sales of $611m. were about even with last year's half. Again, however, the company was buoyed by second quarter gains, a period in which net income rose to $31.6m. or 47 cents from 30 cents in the 1970 second quarter. Weyerhaeuser in the second quarter this year made what it calls "a major strategic move" by acquiring a controlling interest in a 1.5m. acre timber concession on the island of Borneo in Indonesia that will permit it to increase its share of Far Eastern markets.

Biggest loser among the lumber companies was one of America's largest, Boise Cascade Corporation, of Boise, Idaho, which had losses in both the second quarter and first half this year. The second quarter loss totalled $40.2m., or $1.32, after write-downs that equalled a loss of $1.44 per share. In last year's quarter, the company had profits of $11.7m., or 38 cents a share. Sales in this year's period were $454.4m., up from $444.8m. For the first two quarters of 1971, Boise Cascade had a net loss of $39.1m., or $1.28 per share, including the $1.44 loss write-down. That compared with net income of $29.8m. and 97 cents in the 1970 half. Sales this year declined to $827.9m. from $857.1m.

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

	Bid	Offer		Bid	Offer		Bid	Offer
Straight			Oslo 8½pc 1986	90	91	Beatrice 7½pc 1990	112½	114
Atlas Copco 9½pc 1985	99½	100½	Olivetti 9½pc 1985	99½	100½	Borden 6½pc 1991	99	100
ASEA 8½pc 1986	90¾	91¾	Ontario Hydro 8½pc 1986	93	94	Chrysler 5pc 1988	61	62½
Beecham 8½pc 1986	89	90	Philips 6½pc 1976	96½	97½	Eastman Kodak 4½pc 1988	89½	90½
Borregaard 8½pc 1986	92	93	Quebec Hydro 8½pc 1986	91	92	Equity Funding 5½pc 1989	75½	77
Conoco 8pc 1986	91	92	Transocean Gulf 8pc 1986	89	90	Firestone 5pc 1988	83½	84½
Conoco 9½pc 1985	101	102	Notes			Ford 6pc 1986	99½	100½
Courtaulds 9½pc 1985	99	100	Cabot 8½pc 1975	99	100	Fuji Photo Film 6½pc 1985	164	166
Denmark 9pc 1982	99½	100½	Ericsson 6½pc 1975	100	101	Honeywell 5pc 1983	93½	94½
Esso 8pc 1986	94	95	Esso 7½pc 1978	95	96	Kinney 6¼pc 1990	101½	102½
Esso 9pc 1985	102	103	Esso 8½pc 1975	100	101	Komatsu 6½pc 1984	96½	98
General Mills 9pc 1986	90½	91½	Gatx Oswego 8½pc 1977	96	97	Michelin 6pc 1985	106	107½
GUS 8½pc 1986	89½	90½	Hawker 9pc 1975	99½	100½	Murphy 5pc 1989	77	78½
Hambros 8½pc 1985	99½	100½	Nippon Petr. 7½pc 1973	97½	98½	Owens Illinois 5pc 1977	87	88
Hamersley 9½pc 1985	98	99	Oslo 9pc 1975	100½	101½	Pepsico 4¾pc 1981	114	115½
ICI 6½pc 1982	82½	83½	Transocean Gulf 8½pc 1975	99½	100½	Rand Selection 6½pc 1986	104½	105½
Ireland 8½pc 1989	89½	90½	Source: White Weld Securities.			Revlon 4½pc 1983	97	98
ISEC 9pc 1985	98½	99½	Convertibles			Suez 7pc 1985	93	96
Massey Ferguson 9pc 1982	99	100	Alusuisse 7pc 1981	100½	101½	Texaco 4½pc 1988	79½	81
Monsanto 8½pc 1985	97	98	American Can 4½pc 1988	71½	73	20th Century Fox 5pc 1987	51½	53
Mt. Bk. Finland 8½pc 1986	89½	90½	American Brands 5½pc 1988	118½	120	Union Carbide 4½pc 1982	93½	94½
Occidental 9½pc 1982	95	97	Amoco 5½pc 1984	91½	92½	Source: Kidder, Peabody Securities.		

IN BRIEF

Europe

● CHRYSLER FRANCE said first-half net sales rose to Frs.2,032m. from 1,546m. in same period last year.

● CIE FINANCIERE DE SUEZ ET DE L'UNION PARISIENNE said first-half revenues rose to Frs.45m. from 38m. in first six months of 1970.

● SA DU FERODO said net sales in the first six months of this year rose to Frs.383m. from 354m. in first half 1970.

● INDUSTRIEKREDITBANK's DM90m., 8 per cent. loan will be priced at 98½ per cent., Deutsche Bank said as issuing consortium leader.

● MOBIL OIL FRANCAISE, French subsidiary of Mobil Oil Corporation, of the U.S., said first half net sales rose to Frs.985m. from Frs.777m.

● STE FONCIERE ET FINANCIERE AGACHE-WILLOT, holding company of the Agache Willot Textile Group, said portfolio rental and other financial income held little changed at Frs.14.6m. in year ended June 30, compared with Frs.14.7m. the previous year.

● STE SPIE BATIGNOLLES a member of the Schneider Empain group, said first half consolidated net sales rose to Frs.470m. from Frs.436m. in same period last year.

● ELECTRICITE D'EMOSSON, of Martigny, will float Sw.Frs.50m. 6½ per cent. 15-year loan at par. Company said it reserved Sw.Frs.3.5m. for its own purposes, and the remaining 46.5m. will be offered for public subscription from August 13 to 19.

● Ste des Ciments Francais said first-half net sales rose to Frs.286m. from Frs.251m. in the same period of 1970.

North America

● Imasco, former Imperial Tobacco Company of Canada, is investigating acquisition of control of Pasquale Food franchisor of Italian-type food products which it processes and sells to 130 outlets mainly in the southern U.S. and Ohio. Pasquale is based in Birmingham, Alabama. Imasco, as part of its diversification programme, has already become a major food industry investor in the past three years.

● Syncrude Canada has applied to the Alberta Energy Resources Conservation Board, AERCB, for permission to build a larger extraction plant on its holdings in the Athabeasca oil sands than originally proposed. It wants to build a plant with a capacity to produce 125,000 barrels daily of synthetic crude, instead of the previously approved 80,000 barrels. Syncrude is a consortium of Imperial Oil, Gulf Oil Canada, Atlantic Richfield Canada and Canada Cities Service. The enlarged plant is scheduled to come on stream in 1976.

● Petrofina Canada said consolidated first-half net profit rose to $C7.8m. (79 cents a share) from 7.1m. (71 cents) in the same 1970 period. Company proposed unchanged dividend for the period of 35 cents, payable September 30, on record August 31.

● MINNESOTA MINING AND MANUFACTURING COMPANY will pay regular quarterly dividend of 46¼ cents on September 12 to shareholders on record August 20.

● PAINE WEBBER JACKSON AND CURTIS plans a public offering of Common stock later this year, subject to market conditions. The offering would be made entirely by the corporation. No secondary offerings are contemplated.

● UNITED AIRCRAFT CORPORATION declared regular quarterly dividend of 45 cents, payable September 10, on record August 23.

Others

● HITACHI said it and four other Japanese companies have won a $15m. contract to build three power stations and supply electricity to oil pipelines for the General Petroleum Company of Syria. The group also comprises Mitsui, Meidensha, Nissan Electric and Taihei Dengyo, and is seeking Japanese Government finance through deferred payment facilities from the Japanese Export-Import Bank.

● BRIDGE OIL, the Australian exploration company, has reported an oil flow of 1,500 barrels a day (50 degrees gravity) during an open hole drill stem test at the Tirrawarra 2 well. The company, which operates the well together with Santos, Delhi International, Vamgas, Reef and Basin Oil, said the flow rate was measured over a 1½ hour test period and was conducted over an interval 9,797-9,848 feet in the lower Gidgealpa Sands previously encountered in the Tirrawarra 1 well.

COMPANY NEWS

Scottish & Newcastle looking to further growth

MR. P. E. G. BALFOUR, chairman of Scottish and Newcastle Breweries, is looking forward to further increases in both profit and earnings during the current year.

He says there is no reason to doubt that the policy of concentrating on the free trade and on the selective acquisition of managed premises will continue to be successful; the group is in a position to continue to produce and distribute its brands at competitive prices.

However, the chairman does not expect sales to continue to increase at the same rate as last year, when an exceptionally mild winter followed a warm summer. The serious unemployment situation in the West of Scotland must to some extent affect sales growth.

Nevertheless Mr. Balfour confidently expects sales to continue to exceed the national average, though the extent these can be turned into profits depends on cost control.

The relief afforded by the halving of SET has already been eaten up, but the chairman hopes, by improving efficiency, to keep cost increases within reasonable bounds.

From external sales of £148.73m. (£134.33m.), group pre-tax profits advanced by £3.17m. to £17.18m. in the year ended April 30, 1971. As reported July 16 the dividend is stepped up from 12 per cent. to 14 per cent.

An analysis of profit by activity shows: wholesale beer £16.73m. (£13.82m.); managed houses and hotels £4.77m. (£3.52m.); wines and spirits £1.19m. (£0.9m.); minor subsidiaries £20,000 (same). Management costs, finance charges, etc., absorbed £5.54m. (£4.26m.).

Mr. Balfour reports that the depots at Chorley (Lancs) and at Leicester are now open, and, together with further developments at Acton and Caerphilly, complete the first stage of the distribution pattern for those areas. The group was able to increase production facilities to keep pace with this expansion.

The increased sales expected over the next few years will involve a major increase in production facilities and a site has been purchased, opposite the Fountain Brewery, Edinburgh, on which a new brewery is being developed. This will initially supplement and finally supplant the existing unit.

The chairman anticipates that the bulk of capital commitments shown at April 30 (£29.5m. including some £11m. in respect of the new brewery) will be spread over the period to April, 1974, and it is the present intention to provide the finance from cash flow and bank borrowings.

During the year the group contributed £8,200 to the Conservatives. Meeting, Edinburgh, September 2 at 11.30 a.m.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-division shown below is based mainly on last year's time-table:

TO-DAY

Interims: English and Scottish Investors, Hoover, Meggitt, Ofrex, Slater Walker, Thompson,Reid.

Finals: *Caird (Dundee), Doxford and Sunderland, Jackson and Steeple, Neville Group.

FUTURE DATES

Interims:	
Alliance Trust	Aug. 27
Brown Brothers and Albany	Aug. 24
Capital and National Trust	Aug. 17
Carpets International	Sept. 22
Liden	Aug. 12
Needlers	Aug. 31
Nottingham Manufacturing	Aug. 12
Spreckley (Charles)	Aug. 12
Finals:	
Abercorn Investments	Aug. 19
Benn Brothers	Aug. 17
Dixons Photographic	Aug. 18
Hattersley Stelrad	Aug. 16
Howard (H. R.)	Sept. 2
Peak Trailers	Aug. 16
Second Alliance Trust	Aug. 27
Ward and Goldstone	Aug. 16

*Amended.

Fordath sees upturn in the autumn

An expectation of some trading upturn in the autumn both at home and abroad for Fordath, world suppliers of chemicals and equipment to the foundry industry, was expressed yesterday by Mr. R. Sutcliffe, the chairman.

Speaking at the annual meeting, he was equally hopeful of more work in the autumn for the carbon components division following the possibility of Rolls-Royce RB 211 engine production being resumed.

The equipment division—less affected by the home market—had achieved growth in sales during the first months of the current year, from April 1.

Mr. Sutcliffe said the opening months of the current year reflected very much the present low level of activity in British industry in general, and in the foundries in particular. "We believe we can expect some upturn in the autumn from the foundries supplying the automotive industries and from our enlarged overseas marketing effort."

It was announced last week that agreement had been reached between the Boards for an offer by Foseco Minsep for the capital of Fordath, whose directors would recommend holders to accept the terms primarily to ensure the future of the company and to safeguard it from any dangerous consequences which might arise on the death of any of the "family" shareholders. It was also considered that the move would provide a broader financial basis for the growth of Fordath—particularly in its international trade.

Better trading at Lines

MR. PETER THROWER, chief executive of Lines Bros., said yesterday he thought current trading was better than last year, while orders were ahead of the same period last year.

He would make no forecast of the final position, however.

Speaking at a Lines preview of Christmas toys, Mr. Thrower said in answer to a question, that only about 5 per cent. of production was in die-cast toys, the sector of the U.K. industry hit hardest by recent fall-off in the U.S. market. Lines suffered less than other U.K. producers in the general U.S. recession, as it produced toys "across the board," for all ages from nursery to teenage.

He also said that Lines' position as market leader in several brands aided its trading position. Asked about specific sectors, he added that at the end of the year he expected the overseas trading position to improve on last year, while the U.K. might be slightly down.

Mr. Thrower stressed that Lines had tended to bring out fewer new products at present, while concentrating on increasing profitability of existing lines, among which he listed Meccano, Dinkey and Frog as the brands which were "doing well."

Ingersoll ahead

Mr. A. L. Benzing, chairman of Ingersoll Group, reported increased turnover from both the watch and cutlery divisions to shareholders at the annual meeting in London.

He went on to forecast that further anticipated increases in the current year would result in a substantial improvement in the group net profit.

FOSECO MINSEP

Foseco Minsep appointed Hill Samuel and Co., as registrars from August 12, at 6 Greencoat Place, London SW1P 1PL (01-828 4331).

J. Bibby recovery

A FIRST half pre-tax profit of £427,000 has been achieved by J. Bibby and Sons, and the Board expects a better figure than that for the second half.

The first-half profit compares with a corresponding period loss of £477,000. Members were told in April that the half-year result should show a fair measure of recovery to the level—£900,000—of the first six months of 1969.

An interim dividend of 1.75 per cent. is declared. For 1970 when there was a total pre-tax loss of £243,000, a single token payment of 1 per cent. was made, against a 5½ per cent. total in 1969.

	26 wks. 1971 £000	26 wks. 1970 £000	53 wks. 1970-71 £000
Turnover	48,083	42,373	88,492
Trading surplus	1,128	68	1,102
Interest	715	566	1,339
Trading profit	413	*498	*228
Other income	14	21	*15
Profit before tax	427	*477	*243
Tax	216	‡215	68
Net profit	211	*262	*311
Minorities	52	104	221
Attributable	263	*158	*90
After depreciation	694	710	1,311

* Loss. † Expenditure. ‡ Credit.

Chairman, Mr. J. B. Bibby, says the major improvement came from J. Bibby Food Products, where progress in the grocery division is continuing and where market conditions for the industrial division remain favourable.

J. Bibby Agriculture profits are at approximately the same level in spite of the effect of fowl pest but Henry Cooke profits have been affected by the exceptionally difficult conditions in the paper industry and are somewhat lower.

Certain provisions result in figures for Cip-Zoo S.p.A. showing a loss; however, as already indicated, trading results in this company have shown an encouraging upturn.

Overall the Board regards the rate of recovery from the very poor results in 1970 as being reasonably satisfactory although there is still room for further improvement.

As indicated in the 1970 report, the Board has been reviewing the whole range of operations. One of the most important results was the decision announced yesterday to withdraw from the broiler chicken industry in the U.K. by the sale of the broiler subsidiary, Waveney Valley Packers.

The Board has also reviewed interests in the animal feed industry and is strengthening its position by a further decentralisation of feed manufacture.

The full economies of the new production and distribution pattern will not be felt until 1974 and there will be appreciable terminal costs during the run-down period.

The Liverpool factory will remain the major manufacturing unit of J. Bibby Food Products and its activities will be centred on the oil extraction plant and the new oil refinery due to come into operation later this year.

Giving the expectation of better profits in the second half, Mr. Bibby says, in particular, there are good grounds for expecting improvements in J. Bibby Food Products, Cip-Zoo S.p.A., Henry Cooke and the livestock division of J. Bibby Agriculture.

In the event of a decision to enter the EEC, he proposes to report fully to shareholders on its effects in the next annual review. At this stage, however, "we see no problems arising from entry to which we could not adapt successfully during the transitional period, and indeed we see several respects in which we could benefit," he adds.

Quinton Hazell-BSA factory deal

Quinton Hazell (Holdings) has completed formalities for the purchase of a 300,000 sq. ft. factory from BSA for about £1.25m.

The factory—on a 44 acre site at Redditch, Worcs.—is to become the manufacturing headquarters of the group's transmission division. Starting in six weeks, Quinton Hazell will undertake the phased removal of W. H. Briscoe and Co., key plant in the division, from its present factory at Tyseley, Birmingham, which has become too small for production requirements. It may be retained for warehousing purposes.

A total of 250 staff are involved in the removal. Divisional managing director Mr. Roger Selby said: "We sincerely hope that all of our present staff will feel themselves able to make the move."

Confidence at Crown House

The past year's systems of forecasting over two or three years by Crown House, in addition to the annual budgeting procedure, give rise to confidence that the pattern of growth set over the last three or four years will be maintained in the future.

This is stated by the chairman, Mr. P. Edge-Partington in his annual report to shareholders.

As reported with his statement on July 12, pre-tax profits for the year to March 31, 1971, rose from £1,353,745 to £1,633,416 and the dividend is stepped up from 19 per cent. to 20 per cent.

The report outlines the accounting policy adopted in drawing up the accounts. It is based on the two fundamental principles that (a) the businesses are "going concerns," and (b) asset valuations are made on consistent and prudent bases.

Crown House is the winner of one of two awards from The Accountant magazine for the clearest and most informative annual report and accounts by a quoted company in 1970.

The group trades as glass manufacturers, electrical and mechanical engineers and contractors. Meeting, Connaught Rooms, W.C., September 10 at 11.30 a.m.

UDT not afraid of competition

THE CHAIRMAN of United Dominions Trust, Sir Alexander Ross, says he is confident of the group's ability to compete in the new climate of credit following the Bank of England's proposed relaxation of direct controls over lending.

UDT is not concerned over possible competition from the banks, he tells members.

As to the immediate future, UDT is proceeding with its planned expansion; and he expects the group profit to show an increase in the current year.

For the year ended June 30, 1971, the group achieved a record profit, with lower money costs, and continued effort to restrain the impact of rising overheads contributing. As reported on August 5, pre-tax profits were £11.13m., a rise of 49 per cent. over the previous year and exceeding the forecast at the time of the rights issue by more than the earnings on the proceeds. The dividend is 25 per cent. (22 per cent.).

A split of the profit shows: instalment credit £5.47m. (£2.81m.), banking £2.21m. (£1.53m.), industrial £545,000 (£360,000), overseas £3.28m. (£3.09m.), less central overhead expenses £370,000 (£325,000).

In the instalment credit division, personal loans directly to the public have provided a growing proportion of the business and the directors are confident of obtaining their share of the market. "We believe, however, that a primary strength lies in our long and valuable connection with the motor trade which enables us to provide credit at the point of sale."

Sir Alexander welcomes the recent announcement of the abolition of controls upon terms. This should stimulate a higher volume of business which can be handled with minimal addition to overheads. "It will be necessary to maintain a sensible level in our deposit and repayment terms."

In banking the considerable increase in profits includes lending to well proven property development companies and the expansion of financial backing for private companies in industry and commerce."

Valuable connections have already been built up in Europe and these "will be stimulated further if the U.K. enters the Common Market."

Contributions of the overseas division are disclosed for the first time. Main operating subsidiaries in Australia, Canada, New Zealand and South Africa have all achieved record profits.

The industrial division has recently reorganised into four main sub-divisions to improve operating efficiency. These cover engineering, hire, motor trading and the construction division.

Meeting, 51, East Cheap, E.C., September 8 at noon.

Taylor and Hartley

With the exception of two newly started subsidiaries and one minor garage, all sections of the Taylor and Hartley Group in 1970-71 contributed to the increased profitability taken as a whole, but individually the profitability of certain subsidiaries was lower, says the chairman, Mr. T. Cook.

As reported on July 22 pre-tax profits for the year to April 30, 1971, were £203,066 (£205,992) and the dividend is raised from 9 per cent. to 10 per cent.

Of the turnover—£4.46m. (£4.39m.)—and pre-tax profits, textiles contributed £2.99m. (£2.98m.) and £150,264 (£154,873); motor vehicle dealers and engineers £1.45m. (£1.39m.) and £39,5[illegible] (£39,357) and insurance brokers commissions earned, £19,9[illegible] (£17,415) and £13,262 (£11,762).

The new knitting machines have been installed and are operating "very satisfactorily."

Overall-clothing and dress factories had a difficult year and maintained their position, but the consolidation accomplished should enable the section to take good advantage of any improvement of trade.

Similarly, the motor traders had a difficult year, but are well organised to take advantage of any improvement in the climate of trade. Insurance Broking showed increased profits.

Additional ventures made initial losses amounting in total to less than £10,000. They are rapidly approaching the stage, says Mr. Cook, where they can be said to be "off the ground" and should be making a worthwhile contribution to group profits.

Meeting, Westhoughton, September 1, at 12.30 p.m.

LEOPOLD JOSEPH

At the annual meeting of Leopold Joseph Holdings members were told that results for the two months which have passed since the chairman's statement in which he reported that the current year had started well have confirmed the satisfactory rising trend of profits after tax.

At the appropriate time directors will be reporting on the half-year results and they hope to pay an interim dividend as promised.

RESULTS AND ACCOUNTS IN BRIEF

KIRBY'S (motor dealers)—Results for 1970 reported July 22 and chairman's remarks on August 9. Group fixed assets £355,521 (£353,955), net current liabilities £61,301 (£63,456). Meeting, Liverpool, September 1 at noon.

ROBERT RILEY (HOLDINGS) (makers of high grade precision springs)—Results year ended April 24, 1971, reported July 3. Group fixed assets £174,396 (£183,619), net current assets £150,732 (£120,309). While order books not as good as year ago, chairman believes group is well equipped to deal efficiently with difficulties. Meeting, Rochdale, August 31 at 11.30 a.m.

ALBERT FISHER GROUP (wholesale fruit and vegetable merchants, etc.)—Results year ended March 25, 1971, reported July 13. An analysis of sales and profits shows: fruit and vegetable trade £1,659,306 (£2,140,442) and £29,863 (£35,808 loss); motor trade £36,655 (£20,906) and £3,571 profit (£1,456 loss). Group fixed assets £114,421 (£113,187). Net current assets £16,626 (£16,615 liabilities). Entry into the EEC should not have adverse effect on group, says chairman. Meeting, Burnley, September 1 at 3.30 p.m.

SOBRANIE (HOLDINGS) (cigarette and tobacco makers, laundry and dry cleaning operators)—Results year to February 28, 1971, reported August 1 with 1-for-3 scrip. Group fixed assets £639,844 (£340,006), current assets £1,471,805 (£1,540,630) and liabilities £473,468 (£273,576). Meeting, Connaught Rooms, W.C., August 31, noon.

J. DYKES (HOLDINGS)—("True-Rest" upholstery)—Results year to January 31, 1971, already known. Group fixed assets £413,491 (£346,130). Current assets £466,365 (£337,294). Liabilities £407,356 (£177,682). Production rate and deliveries for first four months current year more than doubled and increase in profit is substantial, says chairman. Meeting, Glasgow, August 31, noon.

ANGUS MILLING (HOLDINGS)—Group sales year to May 31, 1971, £4,682,000 (£3,679,000) and profit £63,090 (£40,198). Breakdown shows milling and agricultural merchanting, etc., turnover £3,639,000 and profit £36,010; fuel oil distribution, motor engineering, etc., £1,043,000 and £27,080. To debenture interest £26,358 (£26,550), retained £36,732 (£13,639). Meeting, Kirriemuir, September 1, noon.

VIEW FORTH INVESTMENT TRUST—Final dividend 3½ per cent. (3 per cent.) making 5½ per cent. year to June 30, 1971 (5 per cent.). Total revenue £84,697 (£72,640). Interest, other charges and taxation £27,703 (£36,349). Available to Ordinary £56,994 (£36,291). Dividends £53,000 (£30,000). Forward £3,994 (£6,291). Net asset value per 25p Ordinary share deducting prior charges at par 41.2p (29.2p) and deducting prior charges at estimated market value 45.7p (33.7p).

NOBLE AND LUND (engineers and machine tool makers)—Interim 4 per cent. (same and total 13 per cent.) for 1971. Group profit after all charges but before tax for half year to June 30, 1971 £45,129 (£74,146). Second half expected to prove better than first.

GARDINER SONS AND CO. (in the London Merchant Securities group)—Group external sales for year ended March 31, 1971, £7,431,075 (£5,729,735). Net loss £74,772 (£99,104 profit) after minorities loss £3,706 (£4,253 and tax £59,000). Fixed assets £650,348 (£342,349). Current assets £4,255,831 (£3,689,589), liabilities £3,227,096 (£2,420,568), indebtedness to other LMS group companies. Chairman reports that the group traded profitably in the first quarter of 1971-72. The auditors report is qualified in respect of "substantial timber theft in a subsidiary." The directors say the loss has not been finally quantified, but £90,000 is considered to be the minimum amount. Meeting, Weston-super-Mare, September 1, at noon.

SQUIRREL HORN (sugar confectioners, toffee and chocolate makers)—Interim 5 per cent. (same). Profit half-year to June 30, 1971, £84,252 (£70,628) after depreciation. Tax takes £24,080 (£26,[illegible]). Chairman expects present level of profitability to continue for rest of year and if this is the case Board will consider an increase in rate of final dividend (11 per cent. last time).

RUNGAJAUN TEA COMPANY—Trading loss for 1970 £12,991 (£4,926). Less adjustments, etc. £1,621 (£3,709). Credit taxation adjustment in respect of previous years nil (£10,000), leaving deficit £11,370 (£[illegible] surplus). Development rebate reserve £[illegible] (£300). Development allowance reserve £200 (£1,200). Deficit to reserve £11,[illegible] (£7,281 surplus).

LEBONG TEA—Final 4 per cent. making 10 per cent. (same—single payment) for 1970. Pre-tax profit £[illegible] (£46,294). Profit after tax £29,973 (£[illegible]).

CROMER RING MILL (HOLDINGS) (spinners)—Interim 2½ per cent. per share (same—total was 5p). Unless there is substantial improvement in second half profits final result will be below last year.

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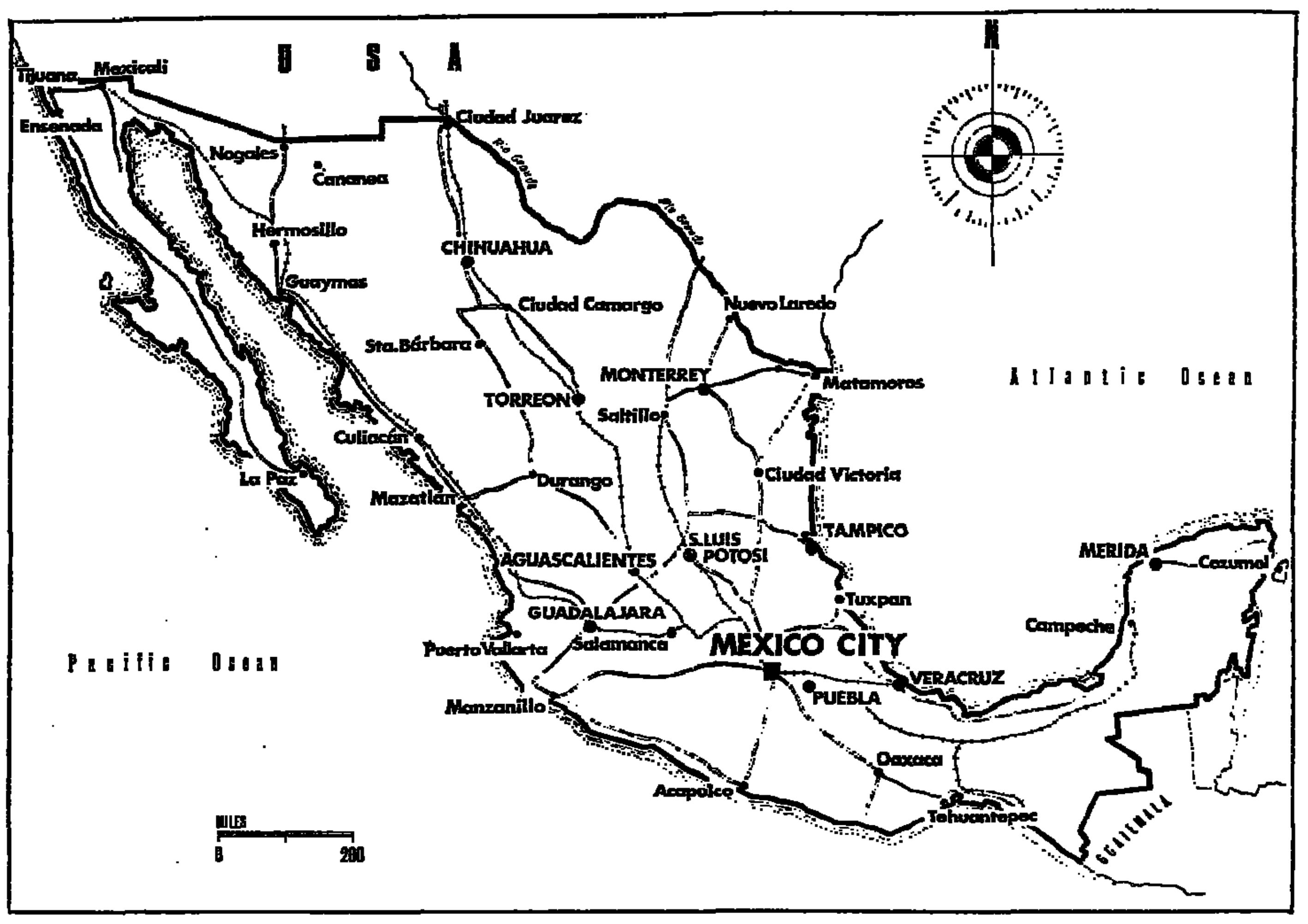
Mexico

FINANCIAL TIMES SURVEY



The long struggle for a stable future

By HUGH O'SHAUGHNESSY, Latin America Correspondent

President Luis Echeverria Alvarez is under siege. Mexico's eader since December is fighting a battle and on his victory lepends the country's claim to e a forward looking community vith enough political sense and naturity to overcome the storms hat are lashing Latin America. f the phrases sound melo-ramatic it is because the olitical situation in Mexico is ne which has no parallel in ne country's recent history and ecause the political decisions ow being taken are more nportant than any in the past eneration.

Social idealism

To boil the situation down to s fundamentals, Echeverria, a eformist president, is attempting to turn the face of Mexico ack towards the social idealism the Revolution of 60 years go. This idealism has in ecent years been more onoured in the breach than in e observance, despite the fact at almost anyone who wanted get on in Mexican society had pay lip service to it. But Echeverria's reformist path has een heavily mined by those embers of the establishment ho are happy to keep change bay. Their efforts have sulted this year in some spectacular murders, and the future politics in Mexico will depend a large extent on the President's success in identifying the culprits and having them punished as they deserve.

In one sense it is ironic that Luis Echeverria should be waging this battle for the political soul of Mexico. He was widely credited with having been behind the massive repression of the disorders that preceded the Olympic Games in Mexico City in 1968. He was certainly a leading member of the cabinet of his predecessor, Gustavo Diaz Ordaz, who bore the ultimate responsibility for the events in Tlatelolco and for the piles of dead who were left when the riot police left the Plaza de las Tres Culturas. His reputation had always been that of a "tough" man who saw the maintenance of law and order as his prime responsibility. His selection as presidential candidate of the Government party, the Partido Revolucionario Institucional, and therefore his succession to the presidential office must in some measure have resulted from this tough reputation.

Somewhere between the Tlatelolco affair and his assumption of presidential office Echeverria's attitudes changed. Perhaps the prospect of broader responsibilities than those he exercised as a cabinet minister, perhaps with the first-hand knowledge of the poverty of most Mexicans and most parts of Mexico which he gained in his exhaustive pre-election tour of the country made him modify his positions. Economically the accent was put on the expansion of the economy on the basis of fairer distribution of income throughout all sectors of the population. Even with the conservative policies of President Diaz Ordaz, who was hardly a man who was temperamentally in favour of the redistribution of income, this strategy had already proved its efficacy. During 1970, the last year of the Diaz Ordaz régime, the gross national product grew by 7.4 per cent. In its report on the Mexican economy for last year the U.N. Economic Commission for Latin America emphasises the role that increased internal demand played in bringing about this growth.

Big increases in production of food, beverages and tobacco, printing and publishing and consumer durables demonstrated that the greater purchasing power of many Mexicans was becoming the driving force of the economy, replacing the earlier stimulants, the injection of foreign capital or the international demand for Mexico's export products. This process, which was aided last year by Diaz Ordaz's decision to raise minimum wage rates substantially at the end of 1969, was going to be pushed forward even more vigorously by Echeverria when he took office in December.

BASIC STATISTICS

Area	758,259 sq. miles	Trade (1970)	
Population	50.7m.	Imports	£1,019m.
GNP	£11,070m.	Exports	£579m.
Per capita	£220		
Currency	£1=30.2 pesos	Imports from U.K.	£34.2m.
	$1=12.6 pesos	Exports to U.K.	£6.3m.

Widespread reforms

President Echeverria chose to inaugurate his administration not only by reaffirming his intention of bringing more poor Mexicans into the mainstream of the economy. He also showed that he wanted to reform the weaker and more parasitical parts of industry and of the Government party itself by leading a drive against corruption within the PRI and by cutting off subsidies to the sugar barons of the Gulf Coast. He also discreetly started letting out of jail many of the Government's opponents who should never have been there in the first place.

These measures, none of them revolutionary and all of them consonant with the point of view of a reforming capitalist, incurred the suspicion of the ultra-right. After skirmishes over the running of the university of Nuevo León, extreme conservative circles launched their biggest counter-offensive when in June bands of toughs —the Halcones—in Mexico City set about students, causing the death of a number. The question now is who were the Halcones, where did they get their firearms and how was it that the police stood aside while men and boys were losing their lives.

No one doubts that the organisers of the Corpus Christi massacre, as it has become known from the day it took place, were members of extreme right wing circles with very close connections with some politicians and officials.

The problems set by the Corpus Christi affair go far beyond the detection or escape of a group of highly placed murderers. If the crime goes unpunished it will demonstrate two things of great importance for Mexican political life. It will have been the most massive flouting of the President's authority for a generation or more. Traditionally a PRI president has combined enormous executive power with virtual immunity from direct political attack. The opponents of a Mexican president have always made their point by unleashing their criticism on his close advisers. The personality of the president was held to be inviolable as a symbol of nationalism and of the country's unity against outside enemies. The Corpus Christi affair and the extreme difficulty Echeverria is encountering in his efforts to throw light on it goes counter to this principle and is a direct challenge to constitutional practice. More important, the attitude of the right in sponsoring the taking up of arms against a presidential policy—for this is what the Corpus Christi affair was tantamount to—threatens to wreck the pendular system of reformist presidents succeeding conservative ones, which has given Mexican politics a great deal of flexibility in the past 30 years and which has kept the country from the instabilities of barracks and palace revolution which have affected many less fortunate republics of Latin America. If the answer of the Mexican conservatives to the reformism of Echeverria is to be violence, then the prospect opens of a return to the ideological free-for-alls and the political chaos of the first days of the 1910 revolution. And admirable though Zapata and Pancho Villa were in many ways, no one in Mexico would really enjoy a return to the state of anarchy which was the backdrop for their exploits.

Good prospects

One must trust that Echeverria is able to use all his political prestige and ability to sort out the Corpus Christi affair and not let the investigations tail off after the resignation of the Alfonso Martinez Dominguez, the *regente* or political and administrative boss of Mexico City.

If he can the immediate prospects for Mexico look good. As last year's economic indicators show, there is a great deal of pent-up demand in the economy, which should be able to keep Mexico's manufacturing industry expanding merrily to everyone's advantage. If more and more of Mexico's poorer classes —and that still means the bulk of the country's population— are pulled into the money economy, this process of expansion could go on for years and years though the amount of cultivatable land in Mexico is not a large proportion of the country's geographical area, the big increases in farm productivity that Dr. Norman Borlaug's "Green Revolution" has demonstrated to be feasible have raised great hopes for the agricultural sector.

The external sector will continue to need some nursing. Last year's export figures were not good, partly because the weather hit agricultural exports, while the expansion of the economy meant that imports, particularly of capital goods, remained very high. At the same time tourist revenue did not grow as hoped as a result of the U.S. recession. Like the rest of Latin America Mexico is carrying an increasingly heavy foreign debt burden. But if President Echeverria can get the country's politics right there is no doubt that Mexico can continue on its path of economic take-off. The organisational and industrial achievements described elsewhere in this survey are proof that this is so.

MEXICO II

Economic development at the crossroads

By MIGUEL S. WIONCZEK

The impressive quantitative growth of the Mexican economy over the past 25 years—6.5 per cent. in real terms—has been achieved at considerable cost in terms of social inequality, wealth concentration and increasing external dependence. The available data prove the validity of this diagnosis, long known to a small group of independent economists. Until the beginning of the President Luis Echeverria administration on December 1, 1970, this diagnosis was unfortunately equated both by the State authorities and the private sector as almost a subversive critique of the "Mexican miracle."

The facts, however, speak for themselves. *In spite of the impressive aggregate GNP growth,* unequal income distribution in Mexico *has hardly* improved over the past 25 years. The gap between modern commercial agriculture and small subsistence farming, which gives employment to some 40 per cent. of the country's Indian and mestizo population, increased considerably. Agriculture's inability to absorb a high population increase translated itself into the mass migration of rural population to the cities, where large pools of unemployed and *under-employed emerged, eking* out a living from all sorts of jobs in the service sector. Industrialisation, based on the concept of import substitution under heavy tariff protection and directed towards a small effective market (estimated at slightly over one-half of the population) ran into a blind alley. Large fortunes were made by local and foreign entrepreneurs and the concentration of the private financial system reached a degree known in only a few other Latin American countries.

More problems

The import substitution policies, supported by the largesse of State support for industrialisation, brought more problems than expected. *Protection was used to cover up* excessive profits and industrial inefficiency. It fostered also a large inflow of foreign private investment without concurrent improvement of technological capacity in the manufacturing sector, as demonstrated by Mexico's difficulty in diversifying her exports. Foreign, mainly U.S., investment proved a mixed blessing. Its direct servicing put a heavy burden on the current balance of payments *account, but payments abroad* for "technical and other assistance" expanded at the incredibly high rate of 20 per cent. a year, reaching an estimated total of £62m. in 1970.

Shortcomings of the fiscal system not only fostered the luxury consumption of privileged groups but put heavy constraints upon the public saving capacity. While during the 1960s public sector revenues (including Federal District and *all major Government* agencies and enterprises) increased—at current prices—almost threefold, public saving less than doubled. Consequently, at the end of the decade, less than half of the public investment was covered by public savings. In spite of heavy State borrowing from domestic commercial banking and the sale to the public—at attractive interest rates—of securities issued by the state development banks, external public debt shot up from £500m. in 1960 to £1,460m. in late 1970, bringing the cost of amortisation (principal and interest) to over 30 per cent. of the country's current foreign exchange receipts. In view of the onerous conditions under which a considerable part of the foreign debt was contracted (particularly in respect to tied bilateral loans and exporters' credits) at the end of the Díaz Ordaz administration the *country found itself in the un*comfortable situation of having to borrow more each year just *in pay the outstanding debt* and keep the overall balance of payments on an even keel.

Major issues

These are some major economic issues which President Echeverria's administration faced when it took office at the end of 1970. The situation was further complicated by growing socio-political tensions, both in the largest cities and in the interior and by the power of domestic and foreign interest groups keen on the continuation of the Mexican growth model. The latter looked on the new President with considerable *suspicion on a number of* counts. First, Echeverria's electoral campaign differed from previous ritual performances. Instead of talking about the "Mexican miracle" and the "achievements of the Revolution," Echeverria dedicated his campaign to pointing out the social costs of the past economic growth. Second, immediately *after* the change of the administration, the new President nominated to key posts many *young people untarnished* by the corruption rampant under previous regimes and without direct links with powerful private interest groups. Third, he started, albeit slowly, some kind of dialogue with rural have-nots, leftist intelligentsia and university youth.

But what seemed to bother even more the main beneficiaries *of the "Mexican miracle" of* the previous decades was the change of the Presidential style *in his* relations with the private sector. It was an unwritten law of the Republic that any new legislative intiative, going from the Presidency to the Congress, was subject to informal negotiations among Ministries and the private business organisations, the State doing its utmost to accommodate these groups. President Echeverria broke with this custom and told the interested parties that such "consultations" were not pro*vided for by the Constitution.* Whether his style of action increased the popularity of the new President among bankers, big industrialists and large commercial interests remains an open question. But at least, on the surface they have kept quiet in the recent past and even used their external communication channels to dispel the fears of the foreign business community and foreign private lenders about the economic future of the country.

This does not mean that President Echeverria has not been challenged in more roundabout ways. One challenge came this spring from the powerful conservative business community of Monterrey, the second largest industrial centre in Mexico. The issue was the control of the Monterrey university by this group versus the university's autonomy. Through indirect and complicated manoeuvres the President achieved his objective of removing external influences from the university's life. The second more serious challenge came in the early summer from the coalition of anonymous rightist groups, including high party members, which dominated the political scene during the previous administration. It took the form of an open provocation by *armed thugs in civilian dress* of a peaceful students' demonstration in Mexico City in early *June. The outcome: 20 students'* corpses strewn on the street in the presence of heavy police concentration *which did* not interfere with "family strife." This episode, condemned in the strongest terms by the President, has not been clarified as yet and the official investigation has been dragging its feet for over six weeks. Given, however, the sophisticated political behaviour of the new President, it seems highly unlikely that he *will let the* matter sleep.

The political developments of the past six months show that *the life of President Echeverria* is far from easy and that promised economic reforms and political democratisation are very difficult to implement. The whole issue of peaceful socioeconomic modernisation of Mexico is further complicated by two external factors: the country's economic dependence upon the U.S., and the growing political nationalism and radicalisation occurring in the rest of Latin America.

Fourfold aims

Consequently, the *new* President is forced to play a complicated external and domestic game, whose *major objectives* seem to be fourfold: the "domestication" of powerful conservative groups which yearn for the continuation of the "Mexican miracle" of the previous 25 years; the increase in social welfare content of the economic development process; a certain degree of disengagement in economic and political terms from the U.S., whose overwhelming presence in Mexico is not too greatly appreciated in the *nationalist* society, and establishing new political and economic relations with the rest of Latin America and the industrial countries of Europe and the Far East. This kind of reorientation of domestic and foreign policies obviously takes *time,* but articulate sectors of Mexican society are growing increasingly restless.

As regards domestic economic policies, the shape of things to come is not yet completely clear. The defenders of the economic and social status quo insist in private that rapid economic growth and social welfare are mutually exclusive objectives. Their additional, though obviously false, argument is that the GNP growth rate in real terms declined to 5 per cent. a year in the first six months of the new administration allegedly because the President's insistence upon injecting a social content into Mexico's growth process had scared away actual and potential investors. Such veiled attacks upon the new policies have little factual basis. Even during the "Mexican miracle" the first year of each administration witnessed a slow-down of growth as a result of austerity measures following the excesses of the last year of the previous regime.

New measures

While in the first half of 1971 the new Government took a number of largely improvised measures aimed at decreasing external indebtedness, eliminating the most obvious loopholes in the tax system, bringing into better shape the growing public sector deficit, putting a brake *upon strong inflationary* pressures and (eliminating the most blatant cases of corruption within the administration) no major reforms advocated by the President during his pre- and post-electoral campaign were introduced. It is widely expected, however, that such measures, particularly in the field of fiscal and financial management, are in the offing for the purposes of increasing considerably the overall tax *yield and improving* the efficiency of public expenditure. It is also reported that the *whole issue of public invest*ment priorities and industrial policy is under discussion at the highest level. Subsistence agriculture is expected to get high priority after almost 30 years of complete abandonment. Protectionist measures are to be revised downward. At the same time, a long overdue diversification of foreign trade and increases in domestic technological capacity are receiving growing attention.

What the *actual* results of these expected changes in the whole economic policy mix will *be it is too early* to say. But if the local and foreign economic power elites are not willing to show some degree of social responsibility, the country is in deep trouble. Not only President Echeverria but growing sectors of independent public opinion are aware of the fact that Mexico is presently at the crossroads: one possible road leads to a considerably more humane society, another to a repressive fascist-type state. A return to the previous model of fast economic growth at the cost of frightening social injustice and of increasing dependence upon the U.S. just does not seem possible any more in any part of Latin America of the 1970s.

Payments problem may become critical

By JORGE EDUARDO NAVARRETE

A prolonged debate has been going on during the past 20 months regarding *Mexico's economic* development. The preliminary rites leading to the induction of a new Government (inaugurated on December 1, 1970) and statements made by the new policy makers precipitated this critical revision of the course of the economy.

After several decades of steady economic growth—at a rate of over 6 per cent. yearly in real terms—and more than 15 years of internal price and exchange rate stability, the cost to the country of the maintenance of its "stabilising development" model was revealed *during the debate: on* the one hand, the unequal concentration of development benefits and on the *other,* growing external dependence in terms of overseas debts and direct *foreign investment.*

In other words, it was made evident that though his development *model has produced* an impressive economic upsurge compared with other developing countries, it *has also* created a situation in which "these advances do not relate to an increase in the people's effective wealth," characterised, moreover, by "budget imbalance, growing foreign indebtedness, a chronic, mounting trade deficit, accompanied by other negative factors such as contraband, onerous local sales taxes and administrative corruption." In consequence, it surprised no one that the new administration at its inception underlined the need to modify Mexico's economic development strategy, though the direction the modification will take has barely—and only hesitantly—begun to be defined.

Payments imbalance

It was stressed as well that the *country's balance of payments* is one of the areas in most urgent need of basic corrective *measures. Its recent evolution* has been marked by a growing current account imbalance and *it depends increasingly on the* inflow of foreign capital. In these conditions, the new *administration introduced* a number of policy initiatives aimed at strengthening the *growth of foreign* exchange income, particularly that derived from the export of *goods and tourism,* and announced its intention to reduce foreign borrowing drastically.

Mexico's current account deficit reached an annual average of £95m. in the first five years of the 1960s, climbing to £193m. in the second half of the decade and up to £360m. in *1970. This spiral was* caused partly by uncontrolled expansion of the trade gap, as well as by a *standstill* in net service account income which appreciably reduced its contribution.

In effect, from 1960 to 1964 the trade deficit stood at an annual average of £150m., moving up to £250m. by the second half of the 1960s and to the unprecedented figure of £440m. in 1970. At the same time, net service account income stood at a mean annual £55m. in *1960-1964,* £57m. in *1965-69* and £100m. in 1970. Thus, net service account income in the first *half of the 1960s* financed over a third of the trade deficit but less than a quarter in the second *half.*

A primary cause is the marked dependence of Mexico's *industrial development on im*ported capital and intermediate goods and raw materials. After *several decades of intense im*port substitution industrialisation, it might seem paradoxical that *the operation and expan*sion of the country's industrial plant continues to depend so *heavily on imports of machin*ery, equipment and intermediate goods. The fact that industrialisation was aimed *mainly* at sub-

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MEXICO III

Mining sector more settled

By ALAN RIDING, Mexico Correspondent

Mexico's mining sector, once the backbone of the country's economy and now contributing a mere 2.4 per cent. of its gross national product, is probably more important to-day than ever before.

Affected more than any other part of the economy by the economic and political storms of the past 60 years, its fortunes constantly rising and falling, mining has at last reached calmer waters and is now contributing most of its production to Mexico's blossoming industrial sector. No longer is mining orientated exclusively to the world market, forever trying to adjust to the prices and whims of the advanced countries. To-day only about 0 per cent. of Mexico's mineral production is exported and its share of total exports is steadily declining, from 22 per cent. just three years ago to 14 per cent. in 1970.

The proof of its changing character comes in the new Government's policy towards the mining sector. In 1970, the most valuable metals and minerals were zinc, copper, silver, lead, iron ore and sulphur; of these, zinc, silver, lead and sulphur were largely exported. But the Government is now concentrating its attention and resources on copper, iron ore, coal, silver and fluorite, in the main required by domestic industry.

Little investment

Investment remains the key to the past and the future. Because Mexico's policy of *Mexicanización*—that 51 per cent. of all mining companies be Mexican owned—the sector went without significant investment during the *20 years following World War II*. Mexico did not have the resources to invest itself and foreign companies went where no strings were attached. Consequently, the sector suffered a period of steady degeneration. But around 1966, when the process of *Mexicanización* was almost completed, the sector began to revive. The country's fast-growing industries needed to be fed with raw materials and world prices for certain primary products justified new investment. By 1970, mining in Mexico was growing at 10 per cent. a year; it earned $600m. that year, and hopes are high that this rate can be maintained in the coming years.

Foreign mining companies are now being attracted back to Mexico by its economic and political stability which contrasts dramatically with the situation in the main mineral-producing nations of South America. And the rule of *Mexicanización*, which looked severe 25 years ago, has since been adopted by many developing countries and is now seen by investors as a guarantee against expropriation.

The problem that remains, however, is how to attract Mexican capital to a sector which is still subject to the vagaries of world commodity markets and provides smaller returns on capital than the incredibly profitable manufacturing industries. Several U.S., Canadian and even French companies are exploring in Mexico and there is apparently no shortage of foreign capital, but the Mexican money is not always available.

Foreign-owned companies to-day account for only about eight per cent. of total mineral production, although there is foreign capital in many Mexican-majority companies. The largest mine still in foreign hands is Anaconda's Cananea copper mine in the state of Sonora, which produced about half of Mexico's 61,000-ton copper production last year. But this, too, is to be Mexi canised within a year.

According to Mexico's Under-Secretary for Non-Renewable Resources, Mr. Luis de la Peña Porth, copper should become Mexico's most important mineral by the end of this decade.

About half Mexico's total copper deposits are to be found at La Caridad, Sonora, and are at last to be exploited by Mexicana de Cobre S.A., which is owned one-third by the Mexican Government, one-third by Mexican private interests and one-third by American Smelting. Exploration has been *completed and the company is* now at the stage of designing its equipment and seeking financing for the $300m. investment. Production of about 130,000 tons per year is expected to begin by 1976, while output from other copper mines is also expected to increase significantly. According to current estimates, by 1980 Mexico's domestic need for copper will have reached 180,000 tons per year, more than three times the present level.

Ore production

Mexico's iron ore production grew by 24.6 per cent. in 1970 to reach a record 2.6m. tons, all of which was consumed domestically. But production must increase even more dramatically *if* estimated domestic demand of 10m. tons per year is to be met by 1980. Exploitation of the Peña Colorada and Las Truchas deposits, which together hold about 350m. tons of iron ore, is certain to bring total production levels close to demand by the end of the decade. Like iron ore, coke and coal cannot be exported and production is being stimulated in order to meet domestic demand.

The wild fluctuation of silver prices has been causing Mexico's mining sector considerable pain in the past three years. Since much of the metal is not mined as a by-product of lead, zinc and copper, as in Canada and the U.S., Mexico is more susceptible to price changes of silver. As a result, the fall in world *silver prices from $2.48 per* ounce in June, 1968, to $1.55 per ounce in June this year has caused many small mines to cut production and reduce employment levels. At present prices, they can hardly break even.

The fact that Mexico's total silver production has remained steady at about 42.8m. ounces for the past three years can be attributed to increased production by larger mines that are also producing other minerals. But total revenue has been falling with the price of silver, each 10-cent drop in silver prices costing Mexico about $4m.

Mexico's concern about the *low price of silver led it to call* a meeting in June of principal world producers—Peru, Canada, Australia, Mexico and the U.S., which is also the world's largest consumer. Mexico hoped it would lead to agreement among the world's main silver producers and consumers to establish a pricing system independent of the speculative commodity markets in New York, Chicago and London. But the U.S., Canada and Australia were *willing only to exchange statis*tics and ideas and clearly have no intention of intervening directly in the market. Under pressure from its small and medium mines, Mexico is now contemplating calling together producers — not governments — to discuss the problem, even though commodity experts feel silver prices "must" rise because of the chronic world shortage of the metal.

"If prices rise," Mr. de la *Peña Porth said, "our resources* should be important. We have the resources, but they are not worth exploiting at present prices."

Mexico is already the world's largest producer of fluorite—almost all its 970,000-ton output was exported—and production is expected to increase now the country *is* to have its first sulphuric and hydrofluoric acid plant. Just last month, a new company, Quimica Fluor S.A., was formed by Dupont (33 per cent.), *Minera* Frisco (partly-owned by Union Corporation of the U.K., also 33 per cent.), Financiera Bancomer (17½ per cent.) and the State Commis*sion* for Mining Development (17½ per cent.). It is to construct a $40m. fluorite processing factory in Matamoros near the U.S. border which will have an annual capacity of 360,000 tons of sulphuric acid and 70,000 tons of hydrofluoric acid. A similar but smaller plant is planned for Monterrey.

Mexico's more traditional minerals—lead, zinc and sulphur—have been growing only slowly in recent years without the incentive of good world prices. Mexico has now fallen from fourth to sixth place among world sulphur producers and the present glut in the mar*ket is unlikely to attract invest*ment to the mineral. To illustrate the problem: in 1970, sulphur production fell by 19.5 per cent. but the value of the production fell by 30.5 per cent. Lead and zinc, traditional money-makers for Mexico, also face an uncertain future in a mediocre market. Mexico remains the fourth largest producer of lead (176,597 tons in 1970) and the seventh largest of zinc (266,400 tons last year), but production levels have risen only marginally in the past five years.

Among metals and minerals of lesser importance, such as antimony, mercury, bismuth, graphite and barytes, Mexico's production is generally increasing steadily and in some cases dramatically. Last year antimony production increased by 38.5 per cent. to 4,468 tons under remarkable market conditions which produced a revenue increase of 406.1 per cent. As with antimony, Mexico is the fifth largest producer of barytes; production of this mineral *increased* 80.4 per cent. last year. Mexico is the fourth largest producer of mercury (production increased by 34.4 per cent. to 1,043 tons last year), the fourth largest of graphite (production rose 29.7 per cent. to 55,648 tons last year) and the second largest producer of bismuth (production fell by 5.8 per cent. to 571 tons but its value rose by 29.5 per cent. under rosy market conditions).

Market stagnation

However, the relative stagnation of the market for such traditional metals and minerals as lead, zinc, sulphur and silver has obliged the Government to step in to assist the small and medium mines that have been worst hit. These mines account for about 12 per cent. of total mining production but employ more than that proportion of the country's 104,000 miners. Unemployment in these mines has been rising and the Government is helping them by reducing and in some cases even eliminating federal taxation and by providing long-term low-interest loans. But despite this acute social problem, the Government knows that in the long-run its limited investment resources must concentrate on the minerals that are most profitable on the world market and most needed domestically.

Clearly, the next few years are to be painful for Mexico's mining industry as it adjusts to the new realities of the world and national economy. The crisis is heightened by the fact that most new investment is not going to the same mining regions that are currently depressed.

Nevertheless, the outlook is encouraging because of the availability of foreign capital and the willingness of the Government to recognise the importance of the mining sector to the country's industrialisation process. Mining was forgotten because of industry and is now being remembered for the same reason.

?ayments problem – (Cont'd.)

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tuting imports of consumer ods and certain types of ermediate goods created an lexible import structure. cording to a recent analysis, *ports in 1965 provided almost* ree-quarters (73.2 per cent.) Mexico's total capital goods. ough no precise calculations st on the extent of import lexibility, it has been estited that in the same year 46 per cent. of the total import outlay was required to satisfy the import requirements of the economy's various production sectors.

In these conditions it seems *apparent that if the rate of* economic growth is to be sustained, the rate of import growth will have to be maintained as well. The alternative, selective import control, or rationalisation, which is now being considered, implies the application of industrial development control policies which the country is not prepared to put into practice, at least in the short term.

Insufficient export expansion, particularly in the second half of the 1960s, when the mean annual growth rate was only 5.6 per cent., and in 1970 when there was a 1 per cent. decline, is the second factor contributing to the widening trade deficit. Everything seems to indicate that the major cause of Mexico's export weakness is the economic system's incapacity to generate a growing, sustained, exportable supply, particularly of manufactured goods. If this is so it is imperative that export policy should not be limited to promotional measures alone, but must be directed toward more basic questions, such as the formulation of measures leading to growing industrial output. Again, however, this is not a short-term objective.

Border tourism grew during the 1960s at an annual rate of 8.4 per cent., and tourism to the interior of the country by 12.9 per cent. Together, they provided the country with a gross foreign exchange income bigger than that earned by merchandise exports. However, the net effect on balance of payments *was substantially reduced by* the even faster growth of expenditure by Mexicans in U.S. border cities (9.5 per cent. annually in the 1960s) and the outlay by Mexican tourists abroad (21.6 per cent. yearly in the same period).

Principal erosion

Nevertheless, the principal element of erosion in net service account income is to be found not in the tourism account, but rather in remittances abroad linked to private foreign investment and interest payments on the external public debt. The *former (profits, interests, royal*ties etc.) rose in the 1960s at a mean annual rate of 12.6 per cent. to £170m. in 1969. Interest payments on the external public debt grew by 18.7 per cent. a year amounting to £95m. in 1969. Bearing in mind recent private foreign investment and *external public borrowing* trends, it can be foreseen that these payments will continue to constitute a pressure factor of major importance to the balance of payments results.

All this indicates that Mexico's current account will, in the immediate future, face a difficult situation. The most that can be expected, as shown in a recent Inter-American Committee of the Alliance for Progress analysis, is a moderate reduction of the deficit, which would place it at some £230m. *yearly from* 1971 to 1973. In any event, supplementary foreign capital requirements will continue to be substantial in the immediate future.

External finance

Independent of the inflow of private foreign capital, Mexico in the 1960s resorted increasingly to external finance to compensate for current transaction imbalance; also the outlay on foreign debt servicing grew at a fast pace. Thus, in 1965-1969 Mexico received official and supplier credits *amounting* to £1,190m. and paid out £944m., so that net income from this type of borrowing was reduced to only £246m. Given the foreign debt *structure, it is estimated that* income from gross borrowings between 1971 and 1973 will amount to some £250m. yearly, and amortization payments to *about £21m. As is evident*, the capital account position can hardly tolerate any worsening of current transaction results without reaching a critical *situation*.

Analysis of the immediate prospects shows that much depends on a short-term recovery of agricultural commodity exports, as well as on the maintenance of traditional tourist income dynamism and success in curtailing the rapid growth of import spending—even at the cost of a reduction in the economic growth rate, border transaction expenditures and the Mexican tourism outlay. *Should this take place, enough* time would be won to permit long-term policies destined to increment manufactured exports and open new areas of tourist interest to begin to bear fruit. A particularly difficult situation was reached in 1970 which, if repeated or aggravated, would destroy the delicate equilibrium of Mexico's international accounts.

Trade results in the first half of the year are not particularly encouraging. It is foreseen, however, that import restriction will produce a substantially smaller trade deficit than in 1970 and that the deficit in current account services income will also show considerable improvement, thus reducing pressures on the capital account to some extent.

MEXICO IV

Tourist industry booming but more investment is needed

By ALAN RIDING

Sunbathing in Puerto Vallarta or skin-diving off Cozumel, the ordinary tourist can be forgiven if he just relaxes and forgets all about the critical role he is playing in Mexico's economy. There are so many better things to do. Mexico is in many ways a complete tourist country and the visitor can choose between endless miles of Pacific and Gulf coast beaches on the periphery and the remnants of pre-Columbian and Colonial cultures on the inside. But whatever he does, wherever he goes, the tourist is unknowingly helping Mexico climb out of the red, providing essential foreign exchange to compensate for the $1,100m. plus balance of trade deficit.

Fortunately for Mexico, tourism is booming. Last year 2¼m. people visited this country, 8.76 per cent. more than in 1969; and they left $575m., over $110m. more than the year before; in the first five months of this year, the number of visitors was 10.2 per cent. up on the same period in 1970 despite the U.S. economic recession. The statistics look good and the prospects look better, but the urgency of Mexico's balance of payments situation allows no time for the tourist industry to relax.

The eight-month-old Government of President Luis Echeverria has adopted a series of measures to improve the balance of payments situation, but it is clearly easier to import tourists than to export manufactured products. In 1970, in fact, tourism for the first time earned Mexico more foreign exchange than merchandise exports and the new Government seems at last ready to see the tourist industry in cold economic terms and give it the resources it needs to continue growing.

There are two very different aspects to the Mexican tourist industry. One involves what might be called the traditional tourist who travels some distance to reach the country and spends an average of eight days here. This kind of visitor, referred to in the above statistics, is to be found water-skiing in Acapulco or "doing" Mexico City's marvellous Anthropological Museum. Then there are the border visitors who cross from Texas, California and New Mexico for a few hours of fun then return home several dollars the lighter.

Border visitors

According to the department of Tourism, last year 90m. people crossed into Mexico for less than 24 hours (the number of border visitors is hard to substantiate because of lax frontier regulations for these tourists) and spent $879m. on night clubs, gambling, shows and whoring in the red light districts of Tijuana, Ciudad Juárez, Nuevo Laredo and Matamoros. These "Boys Towns"—or "zones of tolerance," as the Mexicans call them—pose a difficult dilemma to successive Mexican governments. They are unquestionably an eyesore and a magnet for underworld rackets and prostitution, but they earn an extraordinary amount of foreign exchange which Mexico can ill-afford to turn away (although the "instant divorce" business has now been done away with). In addition, they counter the effect of massive spending on the U.S. side of the border by Mexican residents. Expenditure by Mexican border inhabitants in the U.S. last year amounted to $585.5m., over twice the $266m. spent by ordinary Mexican tourists abroad.

Reduction of the massive $851m. expenditure by Mexicans abroad is probably as important a way of tackling the balance of payments problem as increasing the number of foreign visitors to the country. Again, the cases of the tourist and the border resident have to be tackled separately.

With growing affluence, Mexicans have been travelling abroad increasingly in recent years—280,116 last year compared with 142,273 in 1966—and their expenditure has also grown dramatically—$266m. last year compared with $136m. in 1966. Mexicans abroad also spend far more per capita than visitors to this country. To discourage this drain on the balance of payments, the Government has launched a radio, television and newspaper campaign to persuade Mexicans "to know Mexico first." There are rumours that the cost of a passport is to be raised in order to discourage foreign travel. The problem is particularly urgent since foreign travel by Mexicans is increasing faster than tourism to Mexico—18.5 per cent. compared to 10.5 per cent. a year between 1966 and 1970.

More complicated

The problem of expenditure by Mexican border residents is more complicated since its reduction requires a readjustment of the entire economy.

At present, Mexican-made goods are not generally available in the border regions because they cannot compete with U.S. prices and quality and because of the distance from the main industrial centres further south. Local residents are therefore allowed to cross into the U.S. to buy their refrigerators, washing-machines, televisions and the like. The establishment of about 250 in-bond factories along the Mexican side of the border has combined with expanding tourist revenue to give the region's inhabitants a fast-growing income—most of which is spent in the U.S. It is estimated, for example, that over 60 per cent. of the money left in Mexico by American in-bond factories is returned to the U.S.

Part of the Government's export drive has therefore been an effort to capture this "foreign" market in Mexico by encouraging companies to offer their products to the 2m. border residents. Any slowing in their expenditure in the U.S. would be equivalent to several thousand new tourists.

In 1970, over 87 per cent. of all visitors to Mexico came from the U.S.—48 per cent. by car, 43 per cent. by plane, 6 per cent. by bus and the remainder by train or boat. For obvious reasons, tourist publicity is aimed at bringing more Americans to Mexico by car and by plane. In both campaigns, the Government is trying to encourage and facilitate greater mobility by tourists within Mexico in order to spread the benefits of tourism more equally.

New roads are opening up from the north and hotels and motels are being built along the way in order to slow the rush to the south. Once work is completed on the highway down Baja California from Tijuana to La Paz, a remote and beautiful region will open up to the tourist. Car travellers will then be able to drive down the peninsula to La Paz, take the ferry across to Mazatlán and drive back up the coast, beside the Sierra Madre, to Nogales. Hotel construction in this region began late but is now under full steam to lure the multi-million-dollar tourist market of Southern California.

Visitors driving to Mexico City from east and west meet in the central state of Zacatecas where the Government is developing stop-over resorts to make the trek south more pleasant. Currently, many tourists are put off driving to Mexico by the arid countryside, the mediocre roads and inadequate facilities on the way south. The plan now is to make Mexico start for the tourist before he reaches Mexico City.

Although Mexico City has long been a tourist favourite, the already overcrowded capital has a particular problem which prevents the Tourism Department from emphasising other areas at its expense. Dozens of new hotels were built in the city to accommodate visitors for the 1968 Olympic Games and the 1970 World Football Cup. Now many of them are having trouble filling their rooms and the owners are pressurising the Government to take further measures to attract tourism and conventions to the capital.

For people arriving here by air, the tourism plan also involves trying to make them more mobile. Visitors to the "star" attractions of Acapulco, Puerto Vallarta and Cozumel usually fly directly there on package tours from the U.S.; they live in and around their hotels for one or two weeks then fly back home without seeing more of Mexico. A programme is therefore under way to build more airports around the country and stimulate internal flights. Package tours to various centres—resorts and ruins—are being planned to fit into this idea.

Yucatán coast

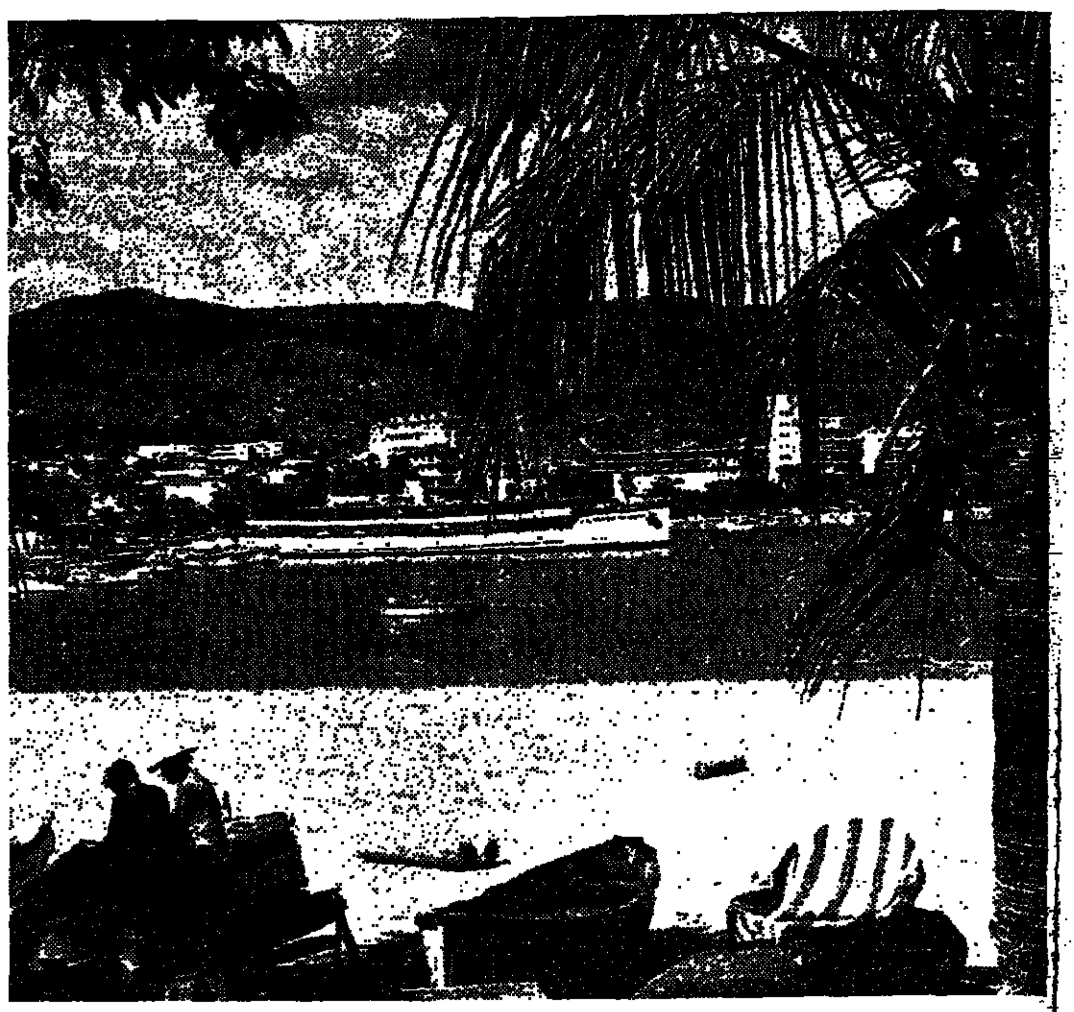
Along with Baja California, two other areas have been chosen by the government for priority development. First there is the Yucatán coast opposite the islands of Cozumel and Isla Mujeres. A $47m. investment plan (which includes a requested $25m. loan from the Inter-American Development Bank) involves massive construction of new roads, hotels and an airport to attract visitors to the resort of Cancún and its environs. The other project is to develop the beautiful Costa Alegre (Happy Coast) to the north of Puerto Vallarta, using the resort's new airport as the jumping-off point.

At present, only about 20 per cent. of all new investment in the tourist industry is foreign, but the new Government is making it easier for foreigners to build houses and hotels near the coast. The law states that no alien can own land within 50 kilometres of the coast or any frontier, but this is being circumvented by allowing foreigners to take 99-year leases on coastal lands. Since a state commission will hold the freehold and the authorities can determine in which regions the arrangement is to be available, the Government can both attract investment to certain development areas and decide how the money should be spent.

The U.S. economic recession has had remarkably little effect on the Mexican tourist industry compared, say, with that of the Caribbean islands. The rate of increase in tourism here has been only slightly lower than projected and the signs are that 1971 should be a good year. However, small problems can arise. In 1969, when the U.S. unilaterally launched an anti-drugs drive among visitors returning from Mexico, the delays and jams at the border crossings put off not a few potential tourists. In July this year, an outbreak of equine encephalitis, which affected humans and horses alike, hit north-east Mexico and spread to Texas; tourism that month is expected to reflect the problem. Cheap flights to Europe for students may also reduce the number of young visitors to Mexico this year, although the Mexican national airlines has announced a cut-rate fare for youths from seven U.S. cities.

The main tourist target, however, remains middle-aged middle-income Americans with more money than time to spend. Students have a capacity to roam about Mexico for months hitching lifts, cadging cigarettes and buying only an occasional mango.

But what Mexico's tourist industry needs more than publicity is investment. The industry has a very good product to sell—there is something for everyone—but it must learn how to package it properly. Americans like first-class hotels, good roads, efficient airports; then they like sun, surf and an occasional ruin. Given all this, Americans love spending money. With an integrated investment programme, Mexico's tourist industry cannot go wrong.



The harbour at Acapulco.

TOURISM ACCOUNT

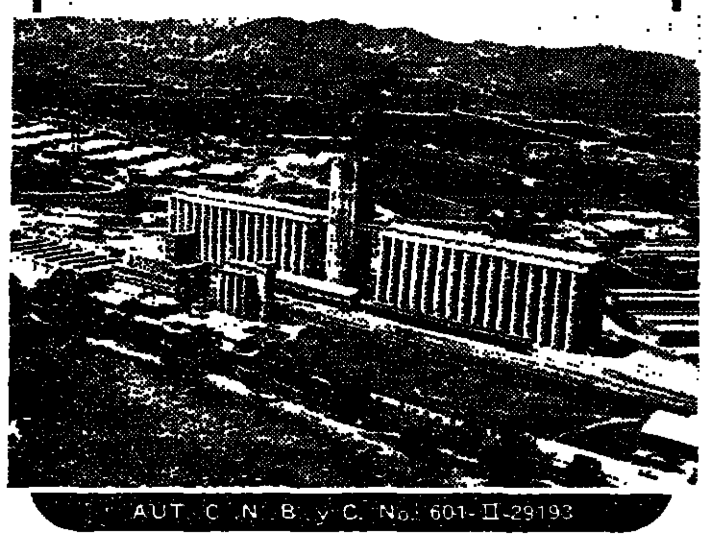
($U.S.m.)

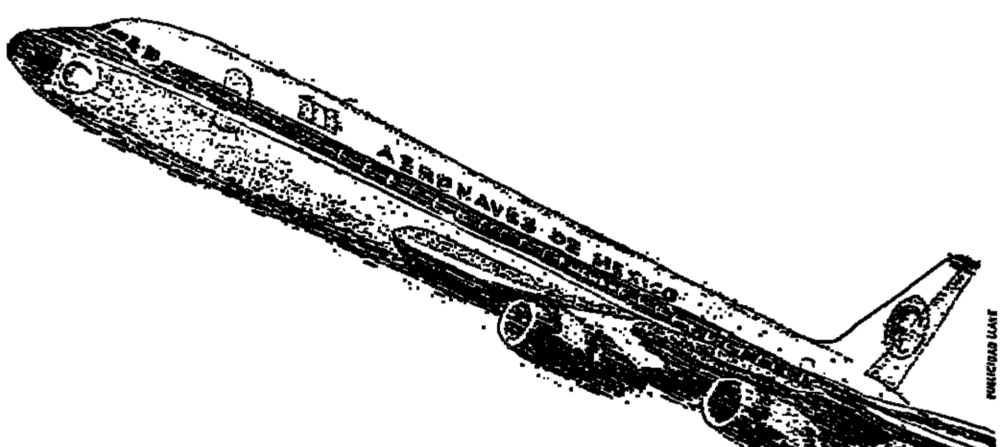
	Gross revenue from tourism	Of which Border trade	Of which Tourism
1960	521.3	366.0	155.3
1965	773.3	499.5	274.8
1969	1,223.6	761.2	462.4
1970	1,454.0	879.0	575.0

	Mexican tourists' gross expend.	Of which Border trade	Of which Tourism
1960	261.5	221.0	40.5
1965	414.3	295.2	119.1
1969	736.5	501.5	235.0
1970	851.5	585.5	266.0

	Net revenue
1960	259.8
1965	359.0
1969	487.1
1970	603.0

(Source: Bank of Mexico)





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MEXICO V

Distribution the key to development plans

y CARLOS BAZORESCH

In the past 10 years the xican economy has moved in path characterised by two lient features: rapid growth d a remarkable price and reign exchange stability. ring this period the GNP reased at an average rate of per cent. and the per capita ome at 3.5 per cent., while ces rose by 2.6 per cent. nually. There have been no nges in the foreign exchange e since 1954.

This achievement, has in- ved a very large investment ort. The annual gross invest- nt, at current prices, rose m £1,000m. in 1960 to 00m. in 1970.

o finance these investments Mexican authorities have ed on two fronts: (a) increas- in the domestic sector, the e of saving and improving mechanisms of financial ermediation in order to mobi- more efficiently domestic ings; and (b) augmenting stantially the flow of ex- ial resources, official and ate, invested in the Mexican nomy.

Private savings

he better mobilisation of ate domestic savings was a lt of price stability, which oted a phenomenal growth the financial sector, whose urces have increased at an ual average rate of 18.9 per during the last decade. development in turn wed the monetary authori- help finance public sector ds by reducing, from time time, the private sector's ity to spend through rises the required reserve ratio osed upon the private banks he Central Bank.

provide further financing the public sector without ting price stability, the ernment took advantage of opportunities to borrow ad. This was done first ugh foreign official or quasi- ial financial institutions, by opening to Mexico the private international credit market.

The decision to resort to all kinds of international credit was based on the fact that the external debt was very small at the beginning of the decade and there was no good reason why Mexico should not profit from these opportunities.

In fact, it appears as if the Mexican financial authorities were restricted by two basic constraints: (a) the need to sustain price and foreign exchange rate stability, and (b) the decision to maintain a low tax burden, with a tax structure aimed at stimulating savings by favouring property income.

Thus, in the Mexico of the 1960s, rapid growth was made compatible with stability basically through a generous use of external resources, occasionally by reducing the private banks' ability to finance private investment and, finally, by cutting the rate of growth of public expenditure whenever inflationary pressures threatened to get out of hand.

This strategy, which probably corresponded closely to the political and economic realities of the time, has led to some trouble in the past two or three years. The immediate reasons were, on the one hand, the tendency for public expenditure to increase very rapidly, accelerating the rate of growth and widening the trade deficit, and on the other, a shortening of the maturity of public external debt, so that debt service as a proportion of foreign exchange income increased noticeably.

These facts pointed to a more fundamental problem: the difficulty of controlling private spending. In fact, although the appropriate monetary policy instruments were theoretically available, in practice the authorities used external borrowing as a slack variable, adjusting it according to circumstances. Only when international credit market conditions were very restrictive did they step on the monetary brakes.

Apparently the solution to these problems requires only a better way of doing the same things as before. Thus, one could imagine that with an improved policy of public external indebtedness, some marginal adjustments in taxes and prices of the goods sold by the public sector and a more precise management of the rate of growth, the machine could do the trick again, keeping the economy growing and passing the buck to future administrations.

This solution, even if valid, misses the most important point, because the real problem of to-day's Mexico is not to grow fast but to start doing something about the skewed income distribution and the poor resource allocation while maintaining the current growth rate.

Tax structure

The essential point is that a low tax burden, coupled with a regressive tax structure, severely limits the ability of the State to fulfil its promises to the poor. In particular it allows little room to increase expenditure on education at all levels and to develop comprehensive programmes to incorporate subsistence peasants into modern society. In short, few taxes mean that the capitalistic bias towards income concentration cannot be corrected by a redistribution of the so-called "factor of production endowments," made by rises in public expenditure.

But one could ask: Is there really a different way of getting enough financial resources for to-day's Mexico? The answer to this question cannot be given in advance, although the technical possibility for a new strategy is clearly at hand.

Such a strategy would retain the high rate of growth and the stability of prices, but it would involve more domestic savings and better use of them. This might be obtained through a reduction of the public sector deficit as a result of higher tax revenues and a sounder financial position for some decentralised public enterprises or through a substantial increase in the amount of public investment directed towards the traditional agricultural sector, education and social welfare. All this would be coupled with a vigorous export promotion policy.

Some increases

In fact, at the beginning of this year, steps were taken in this direction. There has been an increase in some taxes, in the price of sugar which is controlled by the Government and in the amount of mandatory lending from the private banks to the Government. All these measures were aimed at a reduction of the public sector deficit and an increase in domestic savings. Furthermore, control over borrowing by different public agencies was tightened and the mechanisms of control of resource allocation among them were strengthened.

It is possible to increase tax revenues substantially only by a better control of evasion and modernisation of the rate structure in order to eliminate tax loopholes. Such an updating could very well result in some lower corporate tax-rates. Also, much can be done about the subsidies which are implied in the low price of certain basic products sold by public agencies to private entrepreneurs. Finally it is clear that a re-allocation of public investment according to the social goals is not an impossible dream, although it will require bright new ideas and a lot of hard work.

Thus the real point is not what can be done but what the financial authorities will do. As to this, one can only guess but the fact is that there are two goals which have been strongly emphasised by the present Administration: better income distribution and a greater degree of economic independence for the country.

Agricultural reforms are long overdue

ALAN RIDING

e trouble with Mexico's ultural sector is water— times too much, usually too . When the rains come at right time the crops are iably good, but serious ghts in the past three years decimated much of the r. The result has been er hardship for the 20m. le living off the land and er pressure on Mexico's ice of payments. The first it is the weather: only a part of the country's cul- le land is irrigated and of its crops are rain-fed.

t there are other culprits. mphasis—perhaps justified onomic terms—has been on strialisation during the past ears and the agricultural r has gone without the tion and investment it s in order to keep up with co's 3.5 per cent. annual lation growth.

litics must also be blamed. rian reform has long been ar principle of the Mexican ution and land continues to stributed to peasants as a cal gesture by successive nments. But even if the nts in their Ejido co-opera- were equipped to farm rly, the land they receive en poor—only 15 per cent. e country is suitable for ation and much of this is n private hands.

Lack of work

social implications have disastrous. The absence of and hope in the country- is driving hundreds of nds of peasants to trek to ities each year, adding ployment and slums to the ms of the main urban s. Yet even with this e," the number of farm rs is expected to rise from -day to 8m. by 1980.

s, if Mexico is ever to e self-sufficient in food xport enough to counter- e continuing imports of actured products, a total 1 of the agricultural sector e needed.

Echeverria Government rently preparing a five- agricultural plan to ise and reorganise the The plan is specifically ed to reflect President erria's concern for the f small farmers who have been worst hit by the constant swinging of world commodity prices. The 85 per cent. of Ejidatarios who have no access to credit must be brought into the economy.

Cotton perhaps tells the worst tale of all. Production fell from a high of 2.7m. bales in 1965-66 to 1.4m. bales in 1970-71. The area of production fell from 750,000 to 421,000 hectares and the labour force dropped from 500,000 to 300,000. Since most Mexican cotton is exported, the official reason for the declining production has been the poor world cotton market. But the fall in output has meant lost export revenue, and has forced the country to import cotton and other oil seeds to meet domestic demand.

Cotton priority

Because of higher world cotton prices and the trade deficit, the Government is giving priority to cotton production this year, trying to force some farmers to switch back to cotton by not making irrigation available for wheat and soya bean double-cropping. As a result, cotton production is expected to rise to almost 1.7m. bales in the 1971-72 season and exports should just reach 1m. bales. Nevertheless, Mexico will still have to import about 150,000 tons of cotton seed oil this year.

The switch in some areas away from wheat and soya bean double-cropping will also aggravate the oil-seed deficit and force imports this year of about 250,000 tons of soya beans for fodder and oil. Wheat production is also likely to fall below 2m. tons because of the water shortage and domestic demand will have to be met by importing some 300,000 tons.

Because Mexico is a high-cost producer of wheat and production is often subsidised through a guaranteed price level, there is some logic in emphasising a pure-profit crop like cotton at wheat's expense. But demand for wheat is growing even faster than the population and production must increase if wheat imports are not to become a growing burden on the economy. The new strains of wheat, which were developed here by Nobel Peace Laureate Norman Borlaug and brought the "green revolution" to many developing countries, require regular irrigation and high fertiliser input, often unavailable in the Mexican countryside.

Since the decline of cotton, sugar has taken over as Mexico's chief export. Exports this year are expected to be about 590,000 tons, some 12,000 tons more than in 1970. Production should reach 2.9m. tons. The battle is now on in Washington to get Mexico's quota increased for the three-year period beginning January 1, 1972.

The outlook for sugar, however, has been brightened by the Government's approval last December of a 48 per cent. rise in domestic sugar prices, the first rise in 12 years. The hope now is that the endemic inefficiency and corruption of the sugar industry will be replaced by new machinery in mills, a higher standard of living for the peasants and increased sugar production.

According to Aztec culture, man was born of maize and to this day it remains the staple diet of most Mexicans. Production in 1970/71 reached about 8.7m. tons, all but 200,000 tons of which were consumed domestically. The 1971-72 crop is expected to top 9m. tons. Because Mexico does not have storage facilities for maize, any surplus between production and consumption must be exported, but the crop is grown primarily for the domestic market.

Heavy frosts

Coffee, Mexico's third largest dollar-earner, will probably suffer the effects of several heavy frosts last winter for two or three seasons. However, export levels—mainly to the U.S. —are not expected to decline since any shortfall in production can be met by stock withdrawals. Nevertheless, commodity experts anticipate a 1970-71 crop of about the same level as the 1969-70 crop of 3.2m. 60-kilogram bags. Exports last year reached 1.7m. bags and, although the total production area is decreasing, increased yields should enable Mexico to meet its export commitments and growing domestic demand in coming years.

Cattle and other livestock have been among the worst victims of the repeated droughts of recent seasons. Last year, the sector was able to recover partially from the disastrous effect of an 18-month drought, but late rains this year again brought the situation to crisis point.

For the year, boneless beef exports—again, mainly to the U.S.—are expected to remain around the 1970 level of 91.5m. lbs, but live cattle exports will probably fall by about 270,000 head to around 700,000 head compared with 1970. Live cattle and boneless beef exports last year earned Mexico about £30m.

Winter fruit

Mexico's winter fruits and vegetables continue to make an important contribution to total exports, although efforts are being made to reduce their dependence on the U.S. as the principal market (a strawberry shipment to Britain earlier this year was not an auspicious start: Mexico's desire to put its best face forward was not appreciated by the buyers who found large strawberries on top and smaller ones below). Mexico has been grabbing an increasing share of the U.S. winter fruit and vegetable market, but its exports always depend on the Florida crop of tomatoes and strawberries, and there is constant pressure from U.S. farmers to tighten current voluntary restraints on exports.

In the entire agricultural sector, there is great expectation about the contents of the Government's five-year plan. It is clear that the sector needs to be integrated more closely in central economic planning and, with limited resources available, a scale of priorities must be established for agricultural development.

Finally, some of the myths of agrarian reform must give way to the economic realities that distributing more hillsides and desert strips is going to do nothing to help agricultural production. What is necessary is more low-interest credit for machinery and fertiliser, better marketing facilities, larger irrigated areas and long-term planning by the Government. All this may come in the forthcoming five-year plan.

WALL STREET + OVERSEAS MARKETS

Prices move within narrow range

BY OUR WALL STREET CORRESPONDENT

NEW YORK, August 10.

PRICES, GENERALLY, moved within a narrow range on Wall Street to-day, still reflecting concern about the slow pace of economic recovery and further pressure on the U.S. dollar in International Money Markets.

The Dow Jones Industrial Average further declined 3.06 to $39.50, while the NYSE All Common Index held unchanged at $51.66. Losses led gains by 755-to-544 in a volume of 9.46m. (8.11m.) shares.

Foregni Money market dealers said distrust of the U.S. dollar and a week-end Congressional sub-Committee report which suggested the dollar may have to be devalued had upset the Global money system. The U.S. Treasury has rejected the idea of devaluation.

Some market operators do not look for any sustained advance until around Labour Day—September 6—because of continued economic uncertainties.

One analyst said investors may wait for an uptrend and pay slightly higher price rather than commit themselves at this point. He also said he believed that the current money crisis has to run its course.

"Glamour" issues ended on a mixed note. IBM. rebounding from a year low of $283¼, ended at $286, up $2 on the day. Polaroid closed unchanged at $103, after $105¾. Bausch and Lomb jumped $4½ to $129¾ on short-covering, while Natomas climbed $2½ to $77½.

Xerox shed $¾ to $108 but University Computing put on $½ to $23¾.

Among Blue Chips, American brands slipped $1¼ to $42¾.

Some other Tobacco stocks also lost ground. Philip Morris were down $2¼ at $58¾. Loews, which owns Lorillard, dipped $¾ to $50¾.

Motors closed mixed, with Ford up $1 to $62. General Motors gained $¼ to $75, American Motors were unchanged at $6¾, while Chrysler eased $¼ to $25¼.

Control Data declined $1¼ to $49¼—the company said it was renegotiating its credit line and would have to pay more than the prime rate it is paying now. Honeywell eased $¼ to $93¾ but Burroughs gained $¾ to $118.

Among Retailers, Woolworth shed $¼ to $44¼ and Sears lost $¼ to $88, but J. C. Penney pushed ahead $¾ to $65¾.

Oils were mixed. Standard of *Ohio jumped $1¾ to $81¾*, but Getty fell $1 to $78. Continental Oil gained $¾ to $32¾, while active Occidental Petroleum dipped $¼ to $16¾.

AMF, the most active issue, gave way $¾ to $34¾—a 99,000 share block crossed the tape at $34, off $1¾.

Equity Funding, also active, jumped $1¾ to $35¾.

The American SE closed slightly lower, with the Index off 4 cents to $24.21 in a volume of 2.34m. (2.05m.) shares. Declines led advances four-to-three.

Topper, the most active issue, fell $2¼ to $15¾—a Press report questioned the company's projected earnings.

OTHER MARKETS

Canada lower

With the exception of Western Oils, which rose 2.22 on index, Canadian Stock Markets moved to lower levels in light trading yesterday.

Industrials declined 1.74, Golds 1.12, Utilities 0.79, Banks 0.41, Papers 0.58 and Base Metals 0.84.

Cominco gained $1¼. Placer Development dropped $1¼, Distillers Seagrams lost $1½ and Falcon*bridge Nickel gave way $1.*

GERMANY — Markets were weak, with developments in the currency situation causing some heavy selling. Hoechst lost DM3.9, Bayer DM2.2 and Badische Anilin DM3.2 in Major Chemicals. Chemieverwaltung, Goldschmidt and Ruetgers also fell back. Siemens dropped DM6, and AEG shed DM2.9.

Leading Banks lost up to DM3.50. Kaufhof fell DM4.5 and MAN were lowered DM6.

Bonds were mixed.

BRUSSELS—Narrowly mixed in quiet dealings. Cie Lambert, Ste Generale, Cockerill and Arbed each firmed, but Sofina and Petrofina each eased. Wagon-Lits fell Frs.18.

In a little changed Foreign sector, Tanganyika Concessions, *Philips and Ugine each gained* ground. Germans were slightly lower. Western Reefs eased in otherwise steadier Golds.

AMSTERDAM—Most Plantations and Shippings advanced. Local Industrials were mixed, with Gist-Brocades up Fls.2.5. *Banks were steady, while most* Insurances rose.

State Loans were mixed.

Internationals were quietly mixed. Royal Dutch weakened Fls.1.8.

SWITZERLAND—Markets were generally easier in light trading. Swissair continued to lose ground. In slightly mixed major Banks Bankgesellschaft were well maintained while Bankverein eased. Interfood firmed in Financials. Insurances tended narrowly mixed.

Among Chemicals small losses predominated, led by Ciba-Geigy. Elsewhere prices moved generally lower. Hoffman-Laroche, however, were again in demand and further advanced Frs.6.250.

State Bonds were maintained.

In the foreign sector, Dollar *stocks weakened under overnight* influence of Wall Street, led by IBM, Control Data and Chrysler. Dutch shares fluctuated slightly, while Germans were barely steady.

STOCKHOLM—Again irregular.

PARIS—Attention centred on Gold, and share prices generally *showed slight losses. The mone*tary situation restricted activity, in addition to normal August quietness. A further dampening factor was the rise in rates on the Domestic Money Market.

Banks, Financials and Investment stocks weakened, as did Buildings and Food issues. Stores were firmer with BHV and Printemps among gainers.

Mechanical and Motor issues weakened, but Oils were selectively firmer. The gold-linked Pinay Bond advanced.

Internationals were mixed, although German shares were generally lower. Dutch stocks rose, including Philips and Unilever.

OSLO—Industrials and Shippings were irregular, while Banks were quiet.

COPENHAGEN — Firmer in moderately active trading.

VIENNA—Mixed to firmer.

AUSTRALIA—Mines were mixed but with a firmer undertone, while Oils were firm but Industrials were fractionally weaker.

WMC added 19 cents at $3.23, *CRA gained 13 cents to $8.25 and* Metals Exploration rose 10 cents at $4.90.

Queensland Mines came back 10 cents to $13, while Kathleen Investments fell 20 cents to $7. Selcast lost 5 cents to $1.56, as did Mount Lyell to $1.53, while *Central Pacific shed 4 cents to* 74 cents.

Among Oils, Bridge put on 8 cents to 34 cents, with most of the rises recorded well before release of news of the oil flow from the Tirrawarra Number two well. Basin and Reef each added *4 cents, while Santos* rose 10 cents to $3.60.

Elsewhere in the Oil sector Woodside firmed 5 cents to $1.30, while the contributing shares closed unchanged at 88 cents. Ampol Exploration gained 5 cents at $1.17.

In Industrials, ACI dipped 4 cents to $1.47.

TOKYO — International monetary uncertainties continued to attract investors to "big assets" shares initially, but profit-taking caused them to more than lose the ground gained earlier. Volume 370m. (290m.) shares.

Oils continued in demand on the prospects of a yen revaluation. Nippon Oil gained Yen 9 to Yen 200, SHOWA Oil Yen 4 to Yen 373 and Mitsubishi Oil Yen 16 to Yen 154.

Mitsubishi Real Estate closed Yen 12 up at Yen 286, but Tokyo Real Estate were Yen 3 down at Yen 580. Private Railways and Insurances also gained initially, but levelled off later. Banks were generally higher. Sanway Bank closed up Yen 13 at Yen 290, Fuji Bank Yen 6 at Yen 401, and Daiwa Bank Yen 7 at Yen 205.

Many Electricals continued to lose ground, reflecting lower overnight New York prices.

JOHANNESBURG—Golds featured an otherwise quietly steady market. Ahead of the 10-30 bullion fixing golds moved up but *came back after the fixing and* steadied in the afternoon to rule slightly lower on balance. Platinums were quiet and slightly easier. S. A. Manganese were firm in other Metals and Minerals. Mining Financials were steady.

Industrials were generally *slightly mixed*, with a firmer undertone.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport ‡	Indus. *	Util. Φ	Trading volume† 000's
Aug. 10 ...	69.97	206.05	839.59	112.15	9,460
9 ...	70.15	205.12	842.66	111.93	8,110
6 ...	70.27	206.95	850.61	112.83	9,490
5 ...	70.16	205.45	849.45	112.73	12,100
4 ...	70.19	203.61	844.92	113.24	16,410
3 ...	70.24	205.55	850.03	114.74	13,490
2 ...	70.28	209.86	864.92	116.32	11,870
July 30 ...	70.22	206.39	858.43	115.09	12,970
1971 High	71.88 (6/4)	232.79 (28/4)	950.82 (28/4)	128.39 (19/4)	—
Low	68.62 (4/1)	169.70 (4/1)	830.57 (4/1)	111.93 (9/8)	—

* All-time high 995.15 (9/2/66)
‡ All-time high 279.88 (7/2/69)
Φ All-time high 163.32 (20/4/65)
† Excluding bonds.

IND DIVIDEND YIELD p.c.

Aug. 6	Aug. 2	Aug 5 1970
3.75	3.75	4.40

N.Y. SE ALL COMMON INDEX

Dec. 31, 1965=50.

1971 High	1971 Low	Tues.	Mon.	Fri.	Thurs	Wed.
57.78 (28/4)	49.75 (4/1)	51.66	51.66	52.07	51.96	51.85

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,636	544	755	337

1970/71	Tues.	Mon.	Fri.	Thurs.	Wed.
New Highs	2	1	Nil	1	1
" Lows	132	125	90	88	155

AMERICAN SE ALL STOCKS AVERAGE

1971 High	1971 Low	Tues.	Mon	Fri.	Thurs	Wed.
26.68 (28/4)	22.72 (4/1)	24.21	24.25	24.57	24.32	24.28
Volume (000's)		2,340	2,050	1,898	2,720	3,670

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
Aug. 10	103.00	93.54
" 9	102.99	93.53
" 6	103.60	94.25
" 5	103.61	94.09
" 4	103.37	93.89
" 3	104.02	94.51
" 2	105.65	95.96
1971 High	115.84 (28/4)	104.77 (28/4)
1971 Low	99.73 (4/1)	91.15 (4/1)

* 425 *Industrials.* † 425 *Industrials,* 50 Utilities and 25 Rails. (1941=10).

STOCK AND BOND YIELDS

	Aug. 5	July 28	Aug. 5 1970
Industrial div. yield pc	3.06	2.97	3.37
Price-earning ratio	17.42	18.01	15.30
Long-term Govt. Bds. yield pc	6.23	6.25	6.80

MOST ACTIVE STOCKS

	Shares traded	Closing price	Change on day
AMF	135,900	34¾	−¾
Amer. Tel. & Tel.	121,600	42¾	—
Texaco	81,900	33¾	−¼
Ralston Purina	81,500	31½	−½
Heublein	78,900	40½	−½
House Finance	76,100	44¾	−1½
McGraw Hill	70,600	17½	−½
Natomas	69,100	77½	+2½
Equity Funding	68,500	35¾	+1¾
Occidental Petrolm.	66,100	16¾	−¼

TORONTO

INDUSTRIAL INDEX

Closed August 2

Aug. 10	Aug. 9	High 1971	Low 1971
173.64	174.81	186.74 (2/1)	173.64 (10/8)

MONTREAL

INDUSTRIAL INDEX

Aug. 10	Aug. 9	High 1971	Low 1971
175.37	180.11	189.89 (20/4)	176.30 (4/1)

COMBINED INDEX

Aug. 10	Aug. 9	High 1971	Low 1971
176.21	177.64	195.02 (20/4)	172.65 (22/2)

JOHANNESBURG

	Aug. 10	Aug. 9	High	Low
Industrials†	195.1	195.8	212.4 (9/6)	183.9 (3/1)
Golds†	83.8	83.5	89.3 (19/4)	78.7 (15/7)

(1958=100). Source: Rand Daily Mail.

AUSTRALIA

MELBOURNE YIELD INDICES

Av'ge yield on 60 Leading Stocks	Aug. 5	July 29	July 22
On Dividends	5.63	5.66	5.58
On Earnings	9.66	9.65	9.50

SYDNEY ALL ORD. INDEX

Aug. 10	Aug. 9	High 1971	Low 1971
476.43	477.05	518.51 (4/1)	476.81 (4/8)

TOKYO

NEW SE INDEX

Base=100 January 4: 1968.

Aug. 10	+ or −	Div. %	Yield %
205.90	−0.10	11.90	2.91

1971 High 206.00 (9/8) Low 148.83 (5/1)

EUROPE

	Aug. 10	Previous	1971 High	1971 Low
Belg'm (m)	104.84	104.58	106.74 (30/7)	92.18 (6/1)
France (bb)	78.0	78.2	79.2 (28/7)	74.8 (6/1)
Germany*	105.64	108.82	112.71 (23/2)	94.96 (5/1)
Holland (o)	120.8	120.8	128.0 (8/4)	112.6 (6/1)
Italy‡	(c) 50.36	(c)	60.09 (5/3)	48.94 (12/7)
Sweden (p)	285.76	284.23	292.71 (23/6)	245.71 (6/1)
Switz'rl'd**	412.9	412.6	412.9 (10/8)	355.6 (4/1)

* Herstatt Index. ‡ Base amended to January 2, 1962, from December, 1950. ** Swiss Bank Corporation Index base 100 December, 1958. (b) Basis 100 December 29, 1967. (c) Closed. (m) Base date amended from 1953 to 1963. (o) Adjusted now quoted on basis 1963=100 and no longer 1953=100. (p) Base date December 29, 1956. (bb) New index introduced by Paris Bourse Committee basis 1961=100.

MONEY + EXCHANGES

Free credit supply

Bank Rate 6% (April 1, 1971)

Credit was again in free supply in the Discount market yesterday, and the authorities sold Treasury bills, to banks and Discount houses, on a scale described as "very large indeed." Government disbursements, partly on local authority account, were heavily in the market's favour, while a surplus was carried over by the banks from Monday, and foreign exchange settlements carried money into the market. Against these factors, the only significant item appeared to be a net Treasury bill take-up.

A rate up to 5½ per cent. or 5¾ per cent. was bid for day-to-day loans to start with, but the clearing bank minimum of 4¾ per cent. was touched during the morning, and balances were eventually taken at levels from 4¾ per cent. down to 2 per cent. or so.

In the inter-bank market, overnight loans opened at between 5½ per cent. and 5¾ per cent., but fell away quickly, to reach 3 per cent. by about lunch-time, and although levels of 5 per cent. or even 6 per cent. were reported at one point subsequently, closing *dealings were around 3 per cent.* to 3½ per cent.

Aug. 10	Sterling certificates of deposit	Inter-bank	Local Authority deposits*	Local Auth. negotiable bonds	Finance house deposits	Inter-company loans	Discount market deposits	Treasury bills⊕	Bank bills⊕	Fine trade bills⊕
Overnight	—	5-6	5-6¼	—	—	6¼-6⅜	2-6¾	—	—	—
2-days notice	—	—	5⅝-5¾	—	—	6½	—	—	—	—
†7-days or 7-days notice	—	5⅝-5⅞	5½-5⅞	—	—	6⅛	4¼-6	—	—	—
One-month	5 11/16-5 13/16	5¾-5⅞	5¾-5⅞	6.10-5.85	—	6⅛	—	5⅝	5 13/16-6 1/16	—
Two-months	6-5⅞	5⅞-6	5⅞-6	6.13-5.90	—	6¾	—	5 1/32	5 13/16-6 1/16	6⅛-7¼
Three-months	6 1/16-5 15/16	5 15/16-6 1/16	6-6⅛	6.18-5.98	6¼	6¾	—	—	6 1/16-6 3/16	6¾-7¼
Six-months	6¼-6⅛	6⅛-6¼	6¼-6⅜	6.35-6.18	6½-6⅝	7¼	—	—	—	—
Nine-months	6½-6⅜	6⅜-6½	6¼-6⅝	6.45-6.29	6⅞-7	7½	—	—	—	—
One-year	6⅝-6½	6⅜-6⅝	6⅞-6 15/16	6.50-6.39	7-7¼	7½	—	—	—	—
Two-years	7⅜-7¼	7¼-7⅜	7½-7⅝	7.21-7.00	7⅜-7½	—	—	—	—	—

† Local authorities 7-days' notice, others 7-days' fixed. * Longer term mortgage rates: three-years 7¾-8 per cent., four-years 7¾-8¼ per cent., and five-years 8-8¼ per cent. ⊕ Rates given are for buying. Selling rates for Treasury bills, 5 35-64ths per cent. for two-months' and 5 39-64ths or 5 9/16 per cent. for three-months: selling rates for bank bills about 5¾-5⅞ per cent., and for trade bills about 5¾-6 per cent. Rates on bank bills are on those eligible for re-discount at Bank of England. Finance House Base Rate (published by the Finance Houses Association) 6¾ per cent. from August 2.

EXCHANGES AND BULLION

Sterling fell 1/16 cent on balance *against the U.S.* dollar in inter-bank dealings to $2.41⅞, in fairly active conditions, in which a sharp rise in short-term Euro-dollar rates was a major factor. The day-to-day swap position moved appreciably in favour of the dollar. Forward sterling strengthened, *with a rise in Euro-dollar rates.* The three-month discount on the pound fell 3/32 cent to 1/16, the 6-month 3/32 to 15/32, and the 12-month 3/32 to 1 27/32. Guilders were 50 points stronger on balance against the dollar, at Fls.3.49, but most leading Continental currencies eased somewhat in spot business, affected by the higher Euro-dollar rates. The German mark fell 5 points on the day to DM3.4085, while the Belgian franc and the Italian lire moved a little away *from their respective official dollar* ceilings. French francs remained at their ceiling, however. Canadian dollars rose 40 points to 98.75½ U.S. cents.

Gold was quoted around $43.70-43.90 an ounce in London to start with, but fell to $43.00-43.25 and rose to $43.60-43.80 all before the morning fixing, at $43.30 (£17.901). Conditions were steadier thereafter. The afternoon fixing was at $43.25 (£17.881), and the closing quotation at $43.20-43.40, for a net loss of 50 cents. Business was said to be active. New sovereigns were unchanged at $10.65-10.75, but old rose 10 cents to $12.90-13.00. Double Eagles gained $½ to $68½-69½, single $1 to $35-36, and half $¾ to $28¾-29¾. The 20-mark piece was unchanged at $25-26. In Zurich, gold ended at $43.15-43.35, down 55 cents on the day. In Paris, the 12½-kilogramme gold bar was fixed at $43.03 an ounce at noon, down 31 cents, and eased 14 cents further at the afternoon fixing. The 1-kilogramme ingot, however, hardened 25 cents to $43.17. Hong Kong raised gold U.S.$1.02 an ounce to $44.73.

EXCHANGE CROSS-RATES

Aug. 10	Frankfurt	New York	Paris	Brussels	London	Amsterdam	Zurich
Frankfurt	—	3.4085-4100	(U)	(U)	8.245-248	(U)	85.90-.10
N.York	29.365-370	—	18.14-145	2.0149 54	2.4190 4195	28.6475-6575	24.645 655
Paris	161.32-50	5.6127-35	—	11.108-1125	13.5305-5405	157.47-58	135.50-62
Brussels	14.52-53	49.63-½	9.001⅛-½	—	120.03-10	14.16½-17½	12.20½-21½
London	8.23½-24½	2.41⅞-42	13.55¼-¾	120.0-10	—	8.43¾-44¾	9.81½-82½
Am'd'm	102.60-56	3.50 1/16-⅛	63.51-56	7.05½-06	8.46½-¾	—	86.32-37
Zurich	119.0-15	4.057-061	73.67-75	8.16½-17	9.812 222	115.94-.06	—

U.S. $ on Montreal 1.01 1/16-½. Canadian $ on New York 0.9870-9872. Milan on New York 619.80. Milan on London 1501.50. (U) Unavailable.

EURO-CURRENCY INTEREST RATES

Aug. 9	Sterling	U.S. dollar	Canadian dollar	Dutch guilder	W.German mark	Swiss franc
‡Short-term	6¾-7¼	8 9⅛	—	—	—	—
7-days' notice	—	8½-9⅛	—	—	—	—
Month	7⅜-8⅛	8-8½	5 9/16 6 1/16	4⅝ 5⅝	5-5½	1½-2
Three-months	8⅛-8⅝	8 8½	6 7/16-6 15/16	5⅝ 6⅞	6¾ 6⅛	3⅝-3⅝
Six-months	8¼-8¾	7¾ 8¼	6 7/16 6 15/16	6 6⅝	6 3/16 6 11/16	4⅝-4¾
One-year	8⅝-9⅛	7 11/16 8 1/16	7-7¼	6-6¾	6½-6 15/16	5⅜ 5⅝

Longer-term rates for U.S. dollars as follows: two-years 8-8½ per cent., three-years 8¼-8¾ per cent., four-years 8¼-8¾ per cent., and five-years 8¼-8¾ per cent.

The following rates were quoted for London dollar certificates of deposit: one-month 8⅜-8 per cent., three-months 8 5/16-8 1/16 per cent., six-months 8 1/16-7 15/16 per cent., one-year 8 1/16-7⅞ per cent., two-years 8¼-7 13/16 per cent., three-years 8¼-8¼ per cent., four-years 8⅜-8 5/16 per cent., and five-years 8¼-8½ per cent.

‡ *Short-term rates are call for Sterling, U.S. dollars and Canadian dollars, and* two-days' notice *for* Guilders, Marks and Swiss francs.

FOREIGN EXCHANGES

Aug. 10 1971	Bank Rate %	Market Rates Day's Spread	Market Rates Close
New York	5	2.415⅞-42	2.41⅞-42
Montreal	5¼	2.445⅝-451½	2.44¾-45
Amst'dam	5½	8.41½-48½	8.43¾-44¾
Brussels	6	119.90-120.15	120.00-10
Copenh'gn	7½	18.12-14½	18.12½-13½
Frankfurt	5	8.21-25	8.23½-24½
Lisbon	3¾	68.65-69.05	68.80-90
Madrid	6††	167.90-168.20	168.00-10
Milan	5	1,499-7.5 3	1,500½-[illegible]
Oslo	4½	17.14½-18	17.15¼-[illegible]
Paris	6¾	13.52¼ 54¾	13.53¼-[illegible]
Stockh'lm.	6	12.47-50	12.48½-[illegible]
Tokyo	5¼	862½-865½	863¼-[illegible]
Vienna	5	60.15-40	60.22-27
Zurich	3¾	9.78 88	9.81½-[illegible]

N.B. Bank of England official limits for U.S. $2.38-42. Δ Bank of Portugal discount rate. †† Basic discount rate.

OTHER MARKET RATES

Australia	2.1429-1514	Malaysia	7.3525-[illegible]
N.Zealand	2.1367-1452	Argentina	11.53-[illegible]
S.Africa	1.7121-7207		¶14-15½
†India	5.6230-5605	Brazil	12.85-[illegible]
†⊕Pakistan	8.737-65		¶15½-[illegible]
Ceylon	14.170-302	France	¶13.10-[illegible]
*Hng Kng	14.530-614	W.G'm'y.	¶8.30-[illegible]
Luxemb'g	120.00-10	Spain	¶167-[illegible]
Belgium	¶119¼-120¼	Greece	72¼-¾
Italy	♥¶1495-1530	Switzerl'd	¶9.70-[illegible]
Holland	¶8.25-60	Austria	¶60-60[illegible]

¶ Note rates quoted by specialist dealers. Other rates may be quoted elsewhere. † £'s per 100 Rps. ⊕ Tourists receive 45 per cent. Bonus on foreign currency surrendered to banks in Pakistan. ♥ Rate for all denominations. * Hong Kong dollars in the pound.

U.S., Canada 98.74-98.77.

FORWARD RATES

—	One month	Three months
New York	1/16 c. pm-1/16 c dis.	⅛ c. pm-par
Montreal	⅛-⅞ c. pm	1⅛-⅞ c. pm
Amst'dam	1¼-1¾ c. pm	7½-7 c. pm
Brussels	60-40 c. pm	140-120 c. pm
Copenh'n	1 ore pm-4 dis	4-9 ore dis
Frankfurt	2-1½ pf. pm	5½-5 pf pm
Lisbon	15 c. pm-05 dis	25 c. pm-05 dis
Milan	4 2 lire pm	7-5 lire pm
Oslo	3 ore pm-par	8 3 ore pm
Paris	8-6 c. pm	16¼-14¼ c. pm
Stockh'lm	1 ore pm-par	1 ore pm-par
Vienna	30 gro. pm-par	50-25 gro. pm
Zurich	7-6 c. pm	13½-12½ c. pm

OVERSEAS SHARE INFORMATION

Investment $ Premium 21¼% (21½%)

NEW YORK

RAILROADS

Stock	Aug. 10	Aug. 9
[illegible]	[illegible]	[illegible]

INDUSTRIALS, ETC.

Stock	Aug. 10	Aug. 9
[illegible]	[illegible]	[illegible]

TORONTO

Stock	Aug. 10	Aug. 9
[illegible]	[illegible]	[illegible]

PUBLIC UTILITIES

Stock	Aug. 10	Aug. 9
[illegible]	[illegible]	[illegible]

TRUSTS, BANKS & BONDS

Stock	Aug. 10	Aug. 9
[illegible]	[illegible]	[illegible]

MONTREAL

Stock	Aug. 10	Aug. 9
[illegible]	[illegible]	[illegible]

GERMANY

Aug. 10	Price Dm	+ or −	Div. %	Yld. %
6%Fed. Loan(1977)	90¾		6	6.6
A.E.G. Dm.(50)	177	−2.9	16	4.5
AllianzV'raDm50	384.5	−3.5	12	1.6
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AMSTERDAM

Aug. 10	Price Fls.	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OSLO

Aug. 10	Price Kroner	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PARIS

Aug. 10	Prices Frs.	+ or −	Div. Frs.	Yld. %
Rentes 3½pc 1952	175.4	....	3.5	2.0
Air Liquide	411	−2	10.23	2.5
Aquitaine	667	+2.8	13.64	2.0
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BRUSSELS

Aug. 10	Price Frs.	+ or −	Div. Fr. Net	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SWITZERLAND

Aug. 10	Price Frs.	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

VIENNA

Aug. 10	Price %	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

NOTES: Belgian dividends are shown after withholding tax. [illegible]

MILAN

Aug. 6	Price Lire	+ or −	Div. Lire	Yld. %
Alitalia Priv.	10.970	−10	—	—
ANIC	842	....	50	5.9
Bastogi	2,089	+14	85	4.0
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TOKYO

Aug. 10	Prices Yen	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Source Nikko Securities, Tokyo. * Osaka Exchange.

STOCKHOLM

Aug. 10	Price Kronor	+ or −	Div. Kr.	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

COPENHAGEN

Aug. 10	Price %	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AUSTRALIA

Aug. 10	Aus $	+ or −
Acrow Australia	†1.50	
AdelaideBrighton Cem't50c	†1.39	
Ampol Exploration	1.15-1.20	
Ampol Petroleum	0.51-0.52	
[illegible]	[illegible]	[illegible]

JOHANNESBURG

MINES

Aug. 10	Rand	+ or −
[illegible]	[illegible]	[illegible]

INDUSTRIALS

Aug. 10	Rand	+ or −
[illegible]	[illegible]	[illegible]

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STOCK EXCHANGE REPORT

Main sectors little changed after quiet trading

Share index down 2.5 at 393.3—Good gains in Rubbers

ACCOUNT DEALING DATES

First Dealings	Declarations	Last Dealings	Account Day
July 26	Aug. 5	Aug. 6	Aug. 17
Aug. 9	Aug. 19	Aug. 20	Sept. 1
Aug. 23	Sept 2	Sept 3	Sept 14

"Option" column header: Option (over Declarations)

"New time" dealings may take place from 5 p.m. three business days earlier.

INTERNATIONAL currency fears and the Ulster crisis again combined to keep interest in stock markets yesterday at a very low level. The main sectors ended little changed on the overnight close. Gilt-edged recovered roughly one-half of early falls, which chiefly reflected precautionary marking down, to close with losses ranging to ¼ after a limited amount of business. Gold shares, after looking better at one stage, came back to end narrowly mixed on yesterday's lower quotation for the "free" metal price. Mining Finance shares also lost ground.

Leading equities opened easier, drifted lower on small selling and lack of support and steadied towards the close. The Financial Times Industrial Ordinary share index was 1.9 off at 10.30 a.m., 3.2 down at 2.45 p.m. and closed with a net loss of 2.5 at 393.3. Trading was rather featureless and, without the spur of week-end Press comment, fewer features emerged than on Monday. Rubber shares moved up well in sympathy with the bid for Seafield Amalgamated, while Australian Oils were brightened by Bridge Oil's new find and Property shares were again attracting good demand. On the other hand, profit-taking after the interim statements left Commercial Union and J. Bibby weak.

The overall picture of price changes showed a fairly sharp turnround with losses in F.T.-quoted Industrials outnumbering rises by 5-to-2; on Monday, falls were in a 3-to-5 *minority*. Official markings numbered 11,664, little changed from the previous day's 11,827.

Gilts above worst

The worsening situation in Northern Ireland and continued fears about the U.S. dollar made for very sensitive trading conditions in the Gilt-edged market yesterday. Medium and long-dated issues were widened and lowered at the opening, but little selling developed and earlier falls which ranged up to ½ were pared to ¼ in the longs, while mediums finished the day with little alteration. The shorts moved in a similar fashion and ended with losses ranging to 1/16 on balance. Corporations gave ground in line with the main Funds. The week's £7¾m. batch of 6½ per cent. Local Authority yearling bonds was comfortably absorbed at 100.

Sporadic sales of investment dollars lowered the premium to 20¾ per cent. before a late recovery to 21¼ per cent., a net loss of ¼.

Composites down

Although Commercial Union's half-yearly results were well received, the fact that a large bull account had been built up in Composite shares led to a general reaction. Commercial Union ended prominently lower at 456p, down 22p, after 454p; dealers reported a reasonable two-way trade at the lower levels. "Royals," at 386p, gave up Monday's 10p gain, while General Accident came back 6p to 181p. Life Offices were dull in places. Legal and General declined 10p to 300p and Pearl 4p to 252p.

Home Banks ended with modest falls after a small business. In Overseas issues, Lloyds and Bolsa were 9p firmer at 343p. Merchant Banks were looking easier, but Slater Walter rose 3p more to 285p in front of to-day's interim results.

Breweries drifted lower to close with falls of around 2p on lack of buying interest. Truman Hanbury held steady at 452p. Watney Mann hardened 1p to 119½p, but IDV closed unaltered at 69p. Grand Metropolitan Hotels lost 5p to 179p. Elsewhere, Distillers were notable for a fall of 4p at 149p.

Although quieter Building issues were generally better where altered, Turriff Construction, down 12½p on Monday on adverse Press comment, closed 5p better at 48p. Heywood Williams gained 4p at 47p, while rises of 3p were seen in Greaves Organisation, 123p, Hollis Bros., 48p, and Marchwiel, 255p. M. P. Harris, however, dipped 5p to 185p, while Associated Portland Cement, 353½p, and Atlas Stone, 152½p, both closed 2½p lower. Also dull were Reynards Excavations, 2p off at 13p.

ICI attracted a reasonable business and, after moving narrowly, closed unchanged at 316p. Croda International, however, fell 6p to 318p and Holt Products 2p to 33p.

Stores dull

Stores generally lost ground on the disappointing retail sales figures following the July mini-Budget. "Gussies" "A" fell 7p to 399p, while losses of about 3p were seen in Marks and Spencer, 286p, House of Fraser, 188p, and United Drapery Stores, 133p. Following Monday's rises on Press comment, Trutex reacted 7p to 140p and Amalgamated Stores lost 4½p at 6p. Burton Group "A" eased 3p to 217p, while Court Bros. "A," 186p, and Austin Reed "A," 355p, came back 4p and 10p respectively. Forbuoys, however, improved 13p to 300p following demand in a thin market, while other firm spots included Grant Bros., 9p higher at 90p, and Executex, 2p better at 15p. In steadier Mail Orders, Grattan Warehouses declined 6p more to 272p.

Dealers reported a small day's trade in leading Electricals, which lost a little ground, although GEC, having opened easier at 145p, rallied to 146½p, unaltered on the day. Plessey closed 2p off at 116p, after 115p, while Reyrolle Parsons shed 3p more to 137p. Philips' Lamp, however, improved 10p to 615p. Elsewhere, Normand Electrical were a firm spot at 63p, up 4p, while G. and M. Power gained 3p to 99p. Ward and Goldstone put on 2p more to 124½p in anticipation of the results, due next Monday. In contrast, Thorn lost 9p to 394p, while Decca "A," 187p, and Robinson Rentals, 430p, both declined 10p. BSR came back 6p to 360p and Aerialite 2½p to 77p.

Engineerings were void of any major features. Trading results or statements brought 2p rises to both Woodhouse and Rixon, 29p, and General Engineering (Radcliffe), 17½p, while Davies and Metcalfe improved 1p to 8p on the resumed interim dividend payment. Elsewhere, gains of 5p were seen in Benjamin Priest, 105p, and Spear and Jackson, 155p, but falls of that amount were marked against Whessoe, at 55p, and Mining Supplies, at 145p. The second attempt by union leaders to effect peace at Swan Hunter helped the price rise 4½p to 38p. In Steels, Firth and Brown gave up 6p more at 132p.

J. Bibby react late

J. Bibby were a prominent late dull feature in Foods, at 91½p, down 14½p, following the interim results. International Stores eased 1½p to 66½p, while Associated Dairies, 271p, and Northern Dairies, 112p, came back 6p and 2½p respectively. On the bid front, Bovril were active before and *after the increased offer from* Cavenham Foods, ending 10p up at 477½p. Cavenham closed 1p lower at 99p, while Rowntree Mackintosh held steady at 505p. Elsewhere, Squirrel Horn responded to the interim figures with a gain of 2½p at 21p, while Morgan Edwards were 1p more better at 38p, still reflecting Press comment.

Pending a satisfactory outcome to the Board room dispute, Trust Houses Forte eased 1p to 128p. On the other hand, Palace Derby picked up 3p more at 17p, while Associated Hotels were 5p better at 215p.

News of the agreed bid from BTR Leyland worth about 120p brought about a reaction of 9p to 110½p in Miles Redfern. BTR eased 3p to 80p. Carlton Industries responded to the results, proposed scrip issue and dividend forecast with a rise of 4p at 117p, while Christy Bros. improved 10p to 280p on the results. Press comment on the figures prompted a reaction of 8p to 123p in AAH. After the previous day's rise of 40p which followed the bid from Gallaher, Saunders Valve came back 7p to 161p, with Gallaher easing 3p to 132p. Speculative demand left Arbiter and Weston 4p to the good at 30p, but Sears "A" lost 7p to 136p following a sell recommendation. Toye were supported at 30p, up 5p, while other firm spots included Powell Duffryn, 10p better at 138p, Tremletts, 5p higher at 154p, and Brooks Ventilation, 3p to the good at 54p. Ocean Wilsons put on 2p further to 44p. Barclay Securities continued to attract buyers and rose 3½p more to a fresh 1971 peak of 124p, but Boots gave up 4p to 194p and Beecham eased 2p to 313p.

Motor Component shares eased in line with the general trend. Automotive Products came back 50p to 620p, Lucas 5p to 253p, and Triplex Holdings 6p to 140p. Flight Refuelling again provided an isolated exception, rising 5p more to 64p.

Properties in demand

Avid buyers were still about for Properties and fresh gains of 7p or slightly more appeared in Beaumont, 113½p, Alliance, 111p, and Edger, 198p; the last-named continued to benefit from the intended revaluation of properties and developments. Capital and Counties, whose preliminary figures are expected shortly, gained 4½p more at 96½p, while London Shop rose 4p to 80p. U.K. Property closed 5p up at 170p, but Amalgamated Investment, at 325p, lost 10p of Monday's 45p rise. Star 6½ per cent. Convertible fell 6 points to £198.

Bowater recovered from an early relapse to 139p to close only 1p down at 145p; the interim figures are due next Tuesday. On consideration of the higher dividend and latest trading statement, David S. Smith advanced to 49p before ending 5p better on the day at 47p. Still reflecting Press comment, Gordon and Gotch improved 8p further to 165p.

Australian Oils responded sharply to the fresh evidence of oil deposits at Bridge Oil's Tirrawarra wells; the 20 cents paid shares jumped 6p to 16½p and the 5 cents paid shares rose 5½p to 10½p. Basin doubled in price to 14p, Reef rose 4½p to 11p and Santos 20p to 150p. Anglo-Ecuadorian strengthened on Canadian buying, which accompanied reports of a discovery in the Oriente Basin of Ecuador, and closed 8p up at 72p. Leading stocks, however, were easier with British Petroleum 4p off at 606p following scattered U.S. selling. Shell lost 3p at 399p.

A very quiet day in Shippings left prices a shade easier in places, but Cunard Non-Assented to cash were slightly harder at 191p following the formal offer from Trafalgar House.

An easier tendency was apparent in Trusts. First Investors American Trust dipped 85p to a new "low" for the year of 235p in a thin market reflecting the recent Wall Street decline. Halma Investments, however, improved 2½p to a new peak for the year of 29p and British Investment were 5p better at 165p. Among Financials, Ralli were supported and closed 4p up at 125p, after 126p. Slater Walker (South Africa) ended 10p higher at 350p in response to the interim results.

Leading Tobaccos gave ground after a modest day's trading, with "Bats" losing 5p at 348p and "Imps" ½p at 88½p.

The Rubber market was enlivened by news of Sime Darby's 55p offer for Seafield Amalgamated and the leaders often moved ahead on attempted buying in a thin market. Seafield, which gained 3p on Monday, rose afresh to 51p before the bid news and subsequently advanced further to 58p, before finishing at 56p, up 11p on the day following a fairly active business. Sime Darby made good progress to 98p ahead of the announcement, but came back on the news to 90p for a net rise of 2p. Golden Hope led other Rubbers higher with a gain of 5p to 45p, while Guthrie closed 6p better at 209p. London Asiatic, 46p, and Pataling, 43p, were both around 3p firmer. Teas again lacked interest.

Golds falter

After at first continuing Monday's upward trend, Gold shares turned easier as profit-taking followed a downturn in the free market bullion price and by the close of business falls outnumbered rises. Losses, however, were limited to 15p in West Drie at 975p and 10p in "Writs" at 850p. Winkelhaak gave up 4p at 174p but President Brand (510p) and St. Helena (575p) both added 5p.

Finance issues lost ground in quiet trading with both Anglo-Vaal (770p) and General Mining (985p) declining 15p. CAST fell 7p to 212p and Selection Trust eased 5p to 710p. De Beers ended 1p up at 208p after 204p but RTZ were 3p lower at 221p after 219p.

Australian issues were virtually untested and ended with minimal movements in either direction. New Broken Hill (450p) and Whim Creek (225p) both gave up 5p.

Malayan Tin (139p) and Southern Malayan (82p) were both unaltered in front of the respectively higher profits for the year to June 30 which came after market hours.

Of the Irish-Canadian counters, Anglo American Developments rose 7p to 69p following Irish buying but continued weakness in Canada took 45p from Tara Exploration at 710p and 15p from Northgate at 425p.

FINANCIAL TIMES STOCK INDICES

—	August 10	Aug. 9	August 6	August 5	August 4	August 3	A Year ago
Government Sec.	74.11	74.30	74.34	73.94	73.77	74.30	70.76
Fixed Interest	73.99	74.11	74.03	73.88	73.87	74.00	72.66
Industrial Ordinary*	393.3	395.8	395.9	394.9	389.5	396.2	341.4
Gold Mines	58.6	†58.5	57.6	58.8	58.0	57.0	48.5
Ord. Div. Yield pc	3.84	3.82	3.82	3.83	3.85	3.81	4.89
Earnings Yield pc (a)	6.00	5.97	5.96	5.96	6.02	5.94	6.68
P/E Ratio (a)	16.68	16.76	16.77	16.79	16.62	16.84	14.97
Dealings Marked	11,664	11,827	11,494	11,620	11,493	11,598	7,700

†Corrected. *10.30 a.m 393.9 Noon 393.0 2.45 p.m 392.6

(a) Based on 40% corporation tax from March 30, 1971. Latest Indices 01-248 3025

HIGHS AND LOWS

—	1971 High	1971 Low	Since Compilation High	Since Compilation Low
Govt.Secs.	75.74 (16/7/71)	68.83 (4/1/71)	127.4 (9/1/35)	64.21 (11/6/69)
Fixed Int.	74.77 (16/7/71)	69.63 (4/1/71)	150.0 (28/11/47)	67.12 (11/6/69)
Int. Ord.	413.2 (27/7/71)	305.3 (3/3/71)	521.9 (19/9/62)	49.4 (26/6/40)
Gold Mines	61.5 (18/5/71)	52.3 (9/7/71)	100.0 (12/9/55)	44.0 (13/1/70)

S.E. ACTIVITY

—	August 10	August 9
Daily—		
Gilt-Edged	174.8	170.3
Industrials	425.3	426.8
Speculative	192.0	193.7
Totals	265.5	269.2
5-day ave—		
Gilt-Edged	165.6	175.6
Industrials	424.5	432.5
Speculative	185.7	180.6
Totals	264.5	264.2

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942.

OFFSHORE AND OVERSEAS FUNDS (p★★★)

§ Yield %

Albany Management Co. Ltd.
Utility Hs. PO Box 463, Hamilton, Bermuda
Albany Fund Ltd. | £5.00 | £5.39 | ...... | 1.00

American Express Inv. Mngmt. Co.
154, Edward St., Brighton, U.K. BRI. 665411
Am. Ep'ss.Int.Fd. | $8.51 | 9.05 | −0.08 | —

Anchusa Co. Ltd.
P.O. Box 195, Hamilton, Bermuda.
JapanGr'wth Fnd | US$8.88 | 10.48 | ...... | —
Do. Do. Stg. Tst. | 91.0 | 97.0 | ...... | —

Australian Selection Fund N.V.
Lond. Agent Southern Cross Mgmnt., Ltd.
65, London Wall, E.C.2. 01-638 0801
U.S. $10 Shares | US$6.80 | ...... | —
Next subscription day Aug. 12.

Banque de L'Union Parisiènne
6-8, Bld. Haussmann, Paris 9e.
Tokyo Valor | $12.06 | ...... | 2.49

Bk. of London and S. America Ltd.
40-66, Queen Victoria St., E.C.4. 01-248 9822
Alexander Fund | US$8.99 | −0.57 | —
Haussmann Hldgs | US$9.370 | −0.389 | —
StanhopeTr'nsFd. | US$12.03 | −0.54 | 0.83
Net asset values.

Brandt & Grindlay (Jersey) Ltd.
31, Broad St., St. Helier, Jersey. 0534 35446
W.Br'ds Jer'y Fd. | 121.4 | 126.4 | ...... | 4.32
Do. (Acc.) | 123.4 | 127.4 | ...... | 4.32
Next subscription day Aug. 11.

Bridge Management Ltd.
P.O. Box 4715, Nassau, N.P. Bahamas.
NipponFd Aug4 | US$19.13 | 19.88 | ...... | 1.20

Butterfield Management Co. Ltd.
P.O. Box 195, Hamilton, Bermuda.
ButtressInt.Doll'r | $0.79 | 0.82 | ...... | 1.09
Do. Sterling (1) | 36.0 | 38.0 | ...... | 1.33
Do. Sterling (2) | 33.0 | 35.0 | ...... | 1.09
Price at June 12 Next sub. day ——.

Capdirex S.A.
15, Rue Marignac, Geneva (022) 46 62 38
Fonselex | Sw.Fr. 2,521 | −27 | 0.64

Charterhouse Japhet
1, Paternoster Row, E.C.4. 01-248 3999.
Hispano | $50.85 | 52.08 | ...... | 0.22
G. O'seas Sw. F. | 126.00 | 132.00 | −1.00 | 2.73

Darling Management Ltd.
50, Young St., Sydney, N.S.W., Australia
Darling Fund | A$17.80 | 18.80 | ...... | —

Delta Group
P.O. Box 1447, Nassau, Bahamas.
DeltaDr.Fd.Aug.3 | $11.18 | ...... | —
*Delta Inv. Aug. 3 | 99.0 | 108.0 | ...... | —
Delta Unt. Aug. 3 | 124.5 | 138.0 | ...... | —
* See also Stock Exchange Dealings.

Development Finance Cpn. Ltd.
9, Kingsway, W.C.2. 836 9703.
Delfin Australian | 0.20 | 0.21 | ...... | 3.26

Diploma Fund Management Ltd.
La Colomberie Court, St. Helier, Jersey, C.I.
Diploma Int'l Fd. | 29.3 | 30.8 | ...... | —

Dreyfus Intercontinental Inv. Fd.
P.O. Box N3712 Nassau, Bahamas.
Net asset value Aug. 3. $U.S. 12.05-13.21

The Dreyfus Offshore Trust N.V.
P.O. Box N3712, Nassau, Bahamas.
Comm. Stock | U.S.$10.54* | ...... | —
Part Deb. Prem. | U.S.$nil* | ...... | —
* NAV Aug. 4.

Ebor Management (Jersey)
37, Broad St., St. Helier, Jersey. 0534-20591
Channel Cap. | 102.5 | 109.0 | +0.1 | 1.23
Channel Island | 66.6 | 70.5xd | ...... | 4.65

Eurosyndicat Group
Eurunion Lux F. | 1,892 | 1,968 | −10 | 3.20
Finance Union Lux F. | 510 | 530 | −8 | 3.21
For Sterling Dealing Prices contact London Agents N. M. Rothschild & Sons, Ltd., 626 4356, Hill Samuel & Co. Ltd. 628 8011.

Fidelity Mangnt. & Research Co.
Boston, Massachusetts.
FidelityTrend Fd. | $22.93 | 25.06 | −0.23 | 2.43
Do. Capital Fd. | $11.55 | 12.40 | −0.14 | 2.82

Fidelity Mangment. and Research (Bermuda) Limited
Fidelity Int. Fnd. | $14.52 | ...... | —
FidelityP'cific Fd. | $12.24 | +0.35 | —
For additional information contact Julius Baer International Ltd.
38, Mincing Lane, E.C.3. 01-626 5182

First Investor & Savers Vln. Agts.
15-16, America Square, E.C.3. 01-488 4511
Aus.Ld&PropFd. | *B$9.72 | ...... | —
* Net asset value June 30.
First Inv.Am.Trt. | *U.S.$7.74 | ...... | —
* Net asset value August 6.
F.I. Int. Mng Pet. | *U.S.$9.33 | ...... | —
* Net asset value Aug. 5.

First National New World Fd. Ltd.
PO Box N 1576, Nassau, Bahamas.
N.A.V. July 21. 98.74
For details First National City Bank (C.I.) Ltd., PO Box 104, St. Helier, Jersey

Fleschner Becker Fund N.V.
N. T. Butterfield and Son (Bermuda) Ltd.
New Prefd. Share | *11.58 | ...... | —
* Net asset value July 31 after giving effect to a one for one stock dividend.

Fonds Fiducem International
Distributed by the Banque de Bruxelles, Brussels.
Obtainable through London Banks.
F.F.I. (Belg. F.) | 1,343 | 1,402 | ...... | 2.50

Frontier Management Ltd.
50, Shirley St., Nassau, Bahamas.
Frontier Gr'th F'd | U.S.$7.02 | −0.10 | 1.14
Frontier Trust | U.S.$9.09 | ...... | —
Frontier Inc. Fd. | U.S.$9.45 | −0.06 | 5.29
117Group Fd. S.A. | U.S.$11.67 | −0.57 | —

Fund of Australia Man. Co. Ltd.
P.O. Box 1011, Hamilton, Bermuda.
Sterling Fund | A$4.66 | ...... | —
U.S. Dollar Fund. | U.S.$3.38 | ...... | —
Real Estate Fund. | A$7.04 | ...... | —

G. T. Bermuda Ltd.
Bk. of Brmda., Front St., Hmltn., Brmda.
Berry Pacific Fd. | 12.41 | ...... | —
G.T. Dollar Fund. | $10.24 | ...... | —
N.A.V. Aug. 4.

Grimshawe Tst. Management Ltd.
63 Athol St., Douglas, IoM. Douglas 4682
Isle of Man Trusts | 30.3 | 32.5xd | ...... | 2.84

Hambros Inv. Mn. Ser. Vln. Agts.
41, Bishopsgate, E.C.2. 01-588 2851
Ch. Is.Fd. July 29 | 133.3 | 137.7 | ...... | 2.42
Ch.Is.BtFdJune15 | 43.3 | 45.2 | ...... | †0.62
HambroO'seas Fd. | U.S.$7.79 | ...... | —

Hill, Saml. & Co. (Guernsey) Ltd.
8 Lefevre St., St. Peter Port, Guernsey C.I.
Guernsey Trust | 127.9 | 134.7 | −0.5 | 1.76

Hill, Samuel Overseas Fund S.A.
37, rue Notre-Dame, Luxembourg.
Net Asset Value at July 30 1971 | U.S.$10.30 | ...... | —

Intermarket Fund 1
59, Boulevard Royal, Luxembourg.
IntermarketAug10 | U.S. $120.00 | −0.75 | —
Further information is available to Dealers from British and Continental Banking Co., Ltd., 54, New Broad St., E.C.2. 01-588 8501.

Interntl. Capital Management Ltd.
Regency House, Valletta, Malta.
Med.Inv.Fd(G'th) | 32.1 | 34.8xd | ...... | 1.80
Med.Inv.Fd.(Inc) | 22.9 | 25.0xd | ...... | 8.00

Investors Diversified Services
Bertigny 9, Fribourg C.H. Tel. 2-25-201.
CARIBICO N'V. | $10.16 | −0.04 | —

Jardine Fleming & Co. Ltd.
22, Pedder Street, Hong Kong.
JardineEast'nFd† | HK$ 129.04 | ...... | 3.09
† NAV July 30. Next sub. day Aug. 31.
Jardine JapanF. | HK$ 149.60 | ...... | 1.34
* NAV July 30. Equiv. $U.S.24.63. Ex3Pm.
Next sub. day Aug. 31.

Kleinwort Benson Ldn. Agents
20, Fenchurch Street, E.C.2. 01-626 1531
*EMIFSA | $9.85 | ...... | —
*Eurinvest Lux.F | 988 | 1038 | ...... | 2.47
†Guernsey Inc. | 44.5 | 48.2 | ...... | 2.77
† Do. Accum. | 46.7 | 50.6 | ...... | —
*Interitalia Lire | 7,200 | 7,669 | ...... | 4.74
*Intertec Sw. F. | 52.72 | 55.10 | ...... | 3.61
*KB Internat'l Fd | $11.04 | ...... | 1.31
*KB Japan Fund. | $12.62 | +0.25 | —
*Signet Bermuda. | $3.96 | −0.03 | 1.23
*Unifonds (G) Dm | 26.03 | 27.40 | −0.20 | 6.95
* Prices not allowing for Inv. $ Premium.

London & Dominion Tst. U.K. Ltd.
31 St. Paul's Churchyard, E.C.4. 248 0701
Fonditalia | $10.10 | −0.01 | —
Fundsof F'ds St'lg | 194.21 | +0.41 | —
Fund of Funds | $8.52 | −0.02 | —
I.I.T. | $6.74 | −0.02 | —
Investors Funds. | DM17.47 | −0.01 | —
Venture Funds. | $7.89 | −0.04 | —

Management International Ltd.
Bk. of Bermuda Bldg., Hamilton, Bermuda
A'ch'rUnT't Aug. 5 | 53.0 | 56.0xd | ...... | 2.04
Do.Wall St. Aug. 5 | $4.68 | 4.93xd | ...... | 2.33
Do.'B' Unit Aug. 5 | 43.0 | 45.0xd | ...... | 1.91
Next subscription day Aug. 12.
A'ch'rA'str'lin Tst | 69.0 | 73.0 | ...... | 2.79
F'd N/V Aug. 3 | $2.36 | 2.48 | ...... | —
Next subscription day Aug. 17.

(a) (h) Manx. Int. Managmt. Ltd.
63, Athol St., Douglas, IoM. Douglas 4856
Aust.Mineral Tst. | 22.4 | 23.9 | −0.4 | —
Int. Incomes Tst. | 45.2 | 48.0 | ...... | 5.00
Manx Mutual Fnd | 38.2 | 40.3 | ...... | 2.00
Pan. Aust. Ext | 36.4 | 38.7 | ...... | —

M & G Group
P.O. Box 706, Grand Cayman.
Atlanticx Aug. 5 | 79.4 | 86.5 | ...... | —
Aust.& GenAug.4 | 83.1 | 85.7 | ...... | —
P.O. Box 44, St. Peter Port, Guernsey.
Island | 76.7 | 81.2 | +0.2 | 2.27
Accum. Units | 88.9 | 93.5 | +0.2 | 2.27

Murray Johnstone (Inv. Adviser)
163, Hope St., Glasgow, C.2. 041-221 5521
Hope Street Fund | U.S.$11.29* | ...... | 1.50
Murray Fund | U.S.$9.48* | ...... | 1.20
* Net asset value June 30.

New Court Overseas Fd. Mgt. Ltd.
P.O. Box 58, Hirzel Court, Guernsey, C.I.
NC Overseas Fd. | 52.3 | 55.0 | ...... | —

Nippon Special Holdings S.A.
Luxembourg.
NetAss't.VlJuly 2 | LF501.00 | ...... | —

North American Funds
* Nassau, Bahamas, Geneva Branch 3, rue du Marché. Tel. 263480
N.A. Bank Fund. | $22.74 | ...... | —
N.A. Inv. Fund. | $7.71 | ...... | —

Pacific Seaboard Fund N.V.
Intimis Management Co., N.V., Curacao.
Net asset value Aug. 6. $U.S.22.41.

Save & Prosper Distributors Ltd.
P.O. Box 1434, Hamilton, Bermuda.
*Dollar Fund | £4.71 | 5.15 | ...... | —
Hampstead | £6.64 | 7.26 | −0.04 | —
†Monitor | £4.55 | 4.97 | ...... | —
S. A. P. J. J F. | US$13.37 | 14.61 | −0.12 | —
*Sterling Fund | £4.22 | 4.61 | ...... | —
* Prices on Aug. 9. Next dealing Aug. 10.
† Price on Aug. 4. Next dealing ——.

J. Henry Schroder Wagg & Co. Ltd.
120, Cheapside, E.C.2. 01-588 4000.
Amer. Inv. Aug. 4. | $13.20 | ...... | 2.27
Ch'pside$Fd Aug6 | $11.57 | ...... | —
Trafalgar (July 30) | $113.65 | −3.46 | 0.44

Security & Prosperity FD Dst. S.A.
P.O. Box 515, Zurich 8027, Switzerland.
*Sepro | $9.75 | 10.65 | ...... | —
*Prices on Aug. 4. Next dealing Aug. 11.

Shamrock Unit Fund Ireland Ltd.
69-71, St. Stephen's Green, Dublin 757071
Shamrock Ireland | 54.8 | 57.8xd | −0.4 | 2.96

Shareholders Excalibur in Cp. S.A.
17, Boulevard Royal, Luxembourg.
NAVopengAug.9 | $US 9.03 | ...... | —

Singer & Friedlander Ldn. Agents
20, Cannon St., E.C.4. 01-248 9646
Desta (Aug. 6) | Ptas 845.08 | ...... | 2.59

Slater Walker Tst. Mgt. (Bahamas)
37-45, Tooley St., S.E.1. 01-407 3278
Internation'l F'nd | 400 | 420 | ...... | —
Value at Aug. 6. Next dealing Aug. 16.

Slater Walker Tst. Mgt. (Jersey)
35, Broad St., St. Helier, Jersey. 0534 26251
Growth Investors | 138.8 | 144.8 | ...... | 3.00
Next subscription day Aug. 13.

South African Internatl. Fund Ltd.
P.O. Box 1046, Nassau, Bahamas.
NAV (June 30) | BS0.7035 | ...... | 2.84

Standard & Poor's Intl. Fds. S.A.
14, rue Aldringer, Luxembourg.
NetAss'tValAug.6 | US$ 212.35 | ...... | —

Standard Bank C.I. Ltd.
St. Helier, Jersey. 0534 25561.
Cap'l Trust Jersey | 92.0 | 96.7 | ...... | —
Next subscription day Aug. 17.

Stellar Unit Trust Managers Ltd.
P.O. Box 32, Douglas IoM. Douglas 21892
Stellar Growth | 60.0 | 63.5 | ...... | 2.20

Target Trust Mgrs. (Cayman) Ltd.
P.O. Box 710, Grand Cayman, Cayman Is.
Target Offshore | 78.0 | 81.3 | −3.6 | —
Price at Aug. 11. Next sub. day Aug. 18.

Tokyo Capital Holdings N.V.
Intimis Management Co. N.V. Curacao.
Net asset value per share Aug. 2 $US21.6127

Tyndall Managers (Bermuda) Ltd.
P.O. Box 1256, Hamilton, Bermuda.
International F'd. | 100.0 | 104.0 | ...... | 5.00
Do. Accumulation | 105.5 | 110.0 | ...... | 5.00
Overseas Fund | $1.30 | 1.36 | ...... | 4.00
Do. Accumulation | $1.38 | 1.44 | ...... | 4.00
Bermuda Fund | 101.5 | 106.0 | ...... | 6.00
Do. Accumulation | 111.5 | 116.0 | ...... | 6.00
Price at July 21. Next sub day Aug. 18.

Union Bank of Switzerland
117, Old Broad Street, E.C.2. 01-588 3861.
Amca Sw. Fr. | 65.00 | 66.00 | −0.50 | 4.30
Eurit Sw. Fr. | 160.00 | 162.00 | ...... | 4.10
Fonsa Sw. Fr. | 108.00 | 110.50 | +0.50 | 3.90
Globinvest Sw.Fr. | 86.50 | 87.50 | ...... | 2.60
Pacific Inv.Sw.Fr. | 91.00 | 92.00 | ...... | 5.50
Safit Sw. Fr. | 227.50 | 235.00 | +8.00 | 4.00

Utd. States Growth Inv. Tst. N.V.
P.O. Box 1046, Nassau, Bahamas.
U.S. Growth Inv. | US$6.41 | 6.61 | −0.25 | 2.27

Wales Unit Inv. Ltd.
Prices of units in Wales trust may be obtained from Bank of New South Wales. 01-588 4020.

Warburg (S. G.) Vln. Agts.
30, Gresham St., E.C.2. 01-600 4555.
Cv.Bd.Fnd. Aug.9 | *US$8.21 | −0.08 | —
Energy Int. Aug.9 | *US$11.32 | −0.07 | —
* Net asset value.

NOTES.
p*** pence except where otherwise indicated. * Yield excludes double tax relief.

AUTHORISED UNIT TRUSTS (p★★★)

§ Yield %

(g) Abacus Management
Pall Mall, Manchester 2. (061) 832 5027
[illegible] | 34.7 | 36.7xd | ...... | 3.40
[illegible] Units | 29.7 | 31.7xd | ...... | 3.40
[illegible] Units | 28.9 | 30.7xd | ...... | 7.40

Allied Hambro Group

(g) Allied Investors Tsts Ltd.
Bishopsgate EC2 Billericay (02774) 53160
[illegible] 1st | 47.1 | 49.6 | −0.1 | 3.84
[illegible] 2nd | 47.9 | 50.4 | −0.1 | 3.73

(a) (b) (c) Equity & Law Un. Tr. M.
Amersham Rd., High Wycombe, Bucks. Tel. High Wycombe 32815
Equity& LawUnit | 46.9 | 49.3 | −0.2 | 2.63

Family Fund Managers Ltd.
16, Coleman St., London, E.C.2. 01-606 9611
The Family Fund | 60.3 | 63.5 | −0.5 | 2.54

(a) First Provincial Group
21, Spring Gardens, Manch. 061-832 3856
High Distribution | 32.7 | 34.4 | −0.1 | 5.64

(a) Mallet & Wedderburn Ltd.
82, Lombard Street, E.C.3. 01-626 1081
(b)Overseas Units. | 26.0 | 27.6 | −0.5 | 1.81

Minster Fund Managers Ltd.
Minster House, E.C.4. Phone 623 1050
Minster Fd Aug.9 | 40.5 | 41.8 | ...... | 3.10

Morgan Grenfell Funds
15, Christopher Street, E.C.2. 01-247 7243
Capital Fd Aug. 4. | 110.0 | 112.5 | ...... | 2.33

J. Henry Schroder Wagg & Co Ltd
120, Cheapside, E.C.2. 01-588 4000
Capital (Aug. 3) | 103.2 | 105.8 | ...... | 2.12
(Accum. Units) | 107.3 | 110.0 | ...... | 2.12
Income (Aug. 3) | 114.3 | 117.2xd | ...... | 4.62
(Accum. Units) | 123.6 | 126.7 | ...... | 4.62
General (Aug. 4) | 61.3 | 63.1xd | ...... | 2.62
(Accum. Units) | 63.3 | 65.2 | ...... | 2.62
Europe (July 20) | 31.0 | 32.5 | ...... | 1.58
(Accum. Units) | 31.0 | 32.5 | ...... | 1.58
*P'n'Chty(Jly 20) | 139.8 | 142.4xd | ...... | 2.98

INSURANCE, PROPERTY, BONDS

§ Yield %

STOCK EXCHANGE DEALINGS from the Official List for August 10

Tuesday, August 10	11,664	Friday, August 6	11,494	Wednesday, August 4	11,493
Monday, August 9	11,827	Thursday, August 5	11,620	Tuesday, August 3	11,598

The list below gives the prices at which bargains done yesterday by members of the London Stock Exchange were recorded in the Stock Exchange Daily Official List. Members are not obliged to mark bargains except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business was done.

Bargains are recorded in the Official List up to 2.15 p.m. only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

The number of dealings marked in each section follows the name of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. Stock Exchange securities are quoted in pounds and fractions of pounds or in new pence and fractions of new pence.

‡Bargains at Special Prices. Δ Bargains done with or between non-members. ↲ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS, ETC. (512)

CORPN. & COUNTY—U.K. (182)

PUB. BOARDS, ETC.—U.K. (22)

COMMONWEALTH GOVT. AND PROVINCIAL SECURITIES (61)

FOREIGN STKS., BDS., ETC. (20)

U.K. AND COMMONWEALTH RAILWAYS (11)

FOREIGN RAILWAYS (4)

BANKS & DISCOUNT COS. (117)

BREWERIES & DISTILLS. (282)

CANALS & DOCKS (6)

COMMCL. INDUSTRL. (6,758)

A—B

Britton (G. B.) Sons (Hldgs.) (25p) 280 6½
Broadley (J. B.) (10p) 490
Brockhouse (J.) 195
Brocks Grp. Companies (10p) 144 2‡ 3 6 5
Brooke Street Bureau Mayfair (10p) 141
Brooke Bond Liebig B (25p) 75½0 6½ 6. 7pcLn. 1160 15½. 5¼pcDb. 70½0. 7¼pcLn. 77¼0 7. 5½pcLn. 51½0
Brooks Ventilation Units (20p) 52 3
Brotherhood (Peter) (50p) 105
Brown Brother Albany (20p) 1560 48 50½ 50. 8½pcLn. 171
Brown (John) 147½0 60 9 8
Bryant Hldgs. (25p) 53

C—D

E—F

European Ferries (5p) 154½ 51½ 4½ 4
Ever Ready (G.B.) (25p) 210½0 21 17
Expanded Metal (25p) 105 1½ 1 32 100½

FMC (25p) 63½ 2½ 3
Fairbairn Lawson (25p) 154¼0 15
Fairclough (L.) (25p) 2220 200 16
Falrey (50p) 1980 70 8 9 6
Fairview Ests. (10p) 62 3 2½
Farmer (J.) (25p) 970
Farnell Electronics (20p) 189 4‡
Fenner (J. H.) (Hldgs.) A (25p) 164
Ferro Metal Chem. Cpn. (20p) 77
Fine Art Devpts. (5p) 30½0 29¼
Fine Spinners Doublers 4pc1stDb. 35¼
Finlay (J.) 254 3‡

G—H

I—J—K

Kettering Motor New 1210 18 18 20
Kier (J. L.) (25p) 1360 6 5
Kingsley Keith Chemical Gp. (10p) 530
Kinloch (Provision Merchants) (25p) 421
Kirkstall Forge Engg. (25p) 50½ 1 50
Kitchen (Robert) Taylor (10p) 690 70½ 2 1 ½
Kitson's Insulations (50p) 116
Kode Intnl. (25p) 27
Kwik Save Discount Group (10p) 1890 9 91 90

L—M

N—O—P

Provident Clothing Supply (25p) 230
Pullman (R. J.) (5p) 93½ 4 3 2½
Purle Bros. Hldgs. (20p) 194 3
Pye Opt.Certs. 17½0 17‡ 18 17

Q—R—S

Qualitex (25p) 42¾0 3 2½ 3½. 6¼pc Ln. 93
Queen Street Warehouse (10p) 9½. 6¼pc Ln. 650
Quick (H. J.) (5p) 240

R.C.F. Hldgs. (25p) 72
R.F.D. Grp. (10p) 20½0 ½ 20
Racal Electronics (25p) 1330 30 29 32.

T—U—V

W—Y—Z

ELEC. LIGHTING & POWER (6)

FINANCL. TRUSTS, ETC. (211)

GAS (16)

INSURANCE (309)

INVESTMENT TRUSTS (570)

UNIT TRUSTS (8)

IRON, COAL & STEEL (88)

MINES

Australian (48)

Miscellaneous (206)

Rhod. & E. African (54)

South African (303)

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and the Faculty of Actuaries in Edinburgh

	EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses after sectional names show number of stocks.)	Tuesday, August 10, 1971 Index No.	Day's Change %	With 40% Corporation Tax: Est. E'rn'ngs yield %	With 40% Corporation Tax: Est. Price E'rn'ngs Ratio	Div. yield %	Monday August 9 Index No.	Friday August 6 Index No.	Thurs. August 5 Index No.	Wed. August 4 Index No.	Year ago (approx) Index No.	1971 High	1971 Low	Since compilation High	Since compilation Low
1	CAPITAL GOODS GROUP (184)	151.60	−0.6	6.23	16.06	3.92	152.55	153.17	152.46	152.52	119.67	158.52 (28/7)	104.03 (2/3)	131.50 (19/9/68)	82.82 (25/6/65)
2	Aircraft and Components (3)	107.88	−0.8	7.59	13.18	5.78	108.75	109.82	109.14	109.70	94.38	110.88 (28/7)	66.40 (3/3)	280.12 (23/9/68)	66.40 (5/3/71)
3	Building Materials (29)	150.61	−0.6	5.19	19.28	3.54	151.50	151.59	150.85	150.78	100.99	157.94 (23/7)	98.30 (2/3)	167.98 (20/9/68)	85.01 (26/6/62)
4	Contracting and Construction (19)	231.34	−0.3	5.91	16.92	2.60	231.98	231.06	229.70	230.15	195.04	233.13 (22/7)	152.63 (26/3)	233.13 (28/7/71)	84.39 (27/6/62)
5	Elctrls. (ex. Elctrn. Rad. & TV) (13)	263.16	−0.5	5.31	18.82	3.12	264.49	265.89	263.69	264.09	198.24	283.44 (27/7)	174.23 (2/3)	335.11 (17/9/68)	84.71 (25/6/62)
6	Engineering (80)	143.44	−0.6	6.68	14.96	4.34	144.37	145.47	144.84	144.72	116.49	149.28 (22/7)	102.56 (2/3)	160.85 (19/9/66)	82.90 (25/6/62)
7	Machine Tools (15)	66.70	−0.1	7.42	13.47	6.09	66.74	66.96	66.34	65.61	66.05	66.96 (6/8)	43.86 (5/3)	136.70 (4/7/68)	43.86 (5/5/71)
8	Miscellaneous (25)	126.41	−1.2	8.22	12.17	4.56	127.87	128.21	128.83	129.47	115.77	134.65 (28/7)	94.19 (2/3)	144.27 (31/1/69)	69.01 (9/11/65)
9	CONSUMER GOODS (DURABLE) GROUP (56)	165.93	−1.2	5.32	18.79	3.13	168.03	167.87	167.43	166.00	131.50	173.85 (27/7)	117.33 (2/3)	197.87 (15/1/69)	79.96 (25/6/62)
0	Electronics, Radio and TV (14)	175.90	−1.6	5.76	17.35	2.49	178.69	177.03	176.39	173.08	147.42	180.45 (23/7)	128.51 (2/3)	199.86 (19/8/67)	71.10 (6/11/66)
1	Household Goods (15)	180.83	−0.1	6.41	15.61	3.66	180.94	180.53	179.40	186.62	124.22	189.00 (23/7)	115.92 (5/3)	189.00 (23/7/71)	86.65 (26/6/62)
2	Motors and Distributors (27)	113.48	−1.2	4.47	22.35	5.76	114.86	115.96	115.91	114.75	87.04	120.53 (27/7)	78.91 (2/2)	170.59 (15/1/69)	75.92 (24/10/62)
3	CONSUMER GOODS (NON-DURABLE) GROUP (175)	156.80	−1.0	5.73	17.46	3.89	158.44	158.25	157.53	156.92	118.04	164.68 (16/7)	118.17 (3/4)	164.68 (16/7/71)	83.71 (8/11/66)
	Breweries (21)	178.18	−0.9	5.60	17.85	3.57	179.76	179.88	178.59	177.43	120.52	194.97 (15/7)	123.30 (4/1)	194.97 (15/7/71)	80.39 (30/8/65)
	Wines and Spirits (7)	166.26	−2.7	6.27	15.94	4.21	170.86	170.82	168.08	167.19	141.18	196.05 (14/7)	142.41 (4/1)	196.05 (14/7/71)	118.78 (15/6/70)
	Entertainment and Catering (15)	196.81	−1.2	7.27	13.75	3.94	199.29	197.99	193.68	195.38	167.15	214.39 (16/7)	177.99 (2/3)	231.89 (21/1/69)	80.11 (25/7/62)
	Food Manufacturing (24)	139.73	−0.3	5.77	17.32	3.89	140.16	139.24	138.15	136.84	100.38	141.89 (28/7)	99.74 (2/3)	171.54 (31/1/69)	95.98 (15/6/70)
	Food Retailing (17)	136.00	−0.9	5.55	18.01	3.71	137.29	137.12	136.18	135.61	98.26	139.04 (28/7)	100.23 (2/3)	163.68 (7/8/68)	94.62 (27/5/70)
	Newspapers and Publishing (15)	137.44	−0.1	6.25	16.01	5.16	137.54	137.50	136.49	137.06	108.24	142.39 (28/7)	101.86 (13/1)	184.86 (28/1/69)	81.74 (25/7/62)
	Packaging and Paper (16)	113.36	−0.3	6.82	14.66	4.58	113.75	113.61	112.88	112.12	103.43	120.10 (27/7)	88.81 (2/5)	134.63 (2/1/69)	87.91 (25/6/62)
	Stores (30)	148.97	−1.3	4.57	21.90	3.12	150.96	151.04	151.90	151.97	101.44	160.64 (27/7)	104.48 (2/3)	160.64 (27/7/71)	72.74 (8/11/66)
	Textiles (21)	168.91	−1.0	5.86	17.07	5.35	170.54	168.42	168.13	167.80	131.48	177.77 (28/7)	137.81 (2/3)	253.72 (17/9/68)	89.90 (20/7/62)
	Tobacco (3)	233.32	−0.9	9.13	10.95	5.70	235.35	239.18	236.80	232.74	198.40	254.47 (27/7)	170.92 (20/1)	305.02 (30/1/69)	94.34 (13/6/62)
	Toys and Games (6)	48.05	−0.6	—	—	5.31	48.35	47.54	46.55	46.48	64.05	50.04 (12/1)	45.48 (4/8)	135.72 (16/1/70)	45.48 (4/6/71)
	OTHER GROUPS														
	Chemicals (19)	184.01	−0.6	5.47	18.27	3.58	185.07	184.01	183.88	181.70	137.92	193.39 (28/7)	138.18 (10/2)	201.92 (31/1/69)	83.29 (25/6/62)
	Office Equipment (10)	189.24	−1.0	3.70	27.06	1.58	191.06	190.64	188.50	189.06	130.86	212.05 (16/7)	153.52 (15/2)	212.05 (16/7/71)	109.12 (26/5/70)
	Shipping (10)	314.75	−0.1	7.49	13.36	5.24	315.02	313.88	313.36	314.51	317.07	325.75 (1/4)	269.75 (16/4)	355.44 (9/10/70)	90.80 (29/6/62)
	Miscellaneous (unclassified) (44)	179.47	−1.1	6.02	16.62	3.83	181.42	180.67	180.04	179.28	130.68	190.33 (27/7)	128.55 (2/3)	190.33 (27/7/71)	76.52 (8/11/66)
	INDUSTRIAL GROUP (498 SHARES)	163.06	−0.9	5.74	17.41	3.72	164.53	164.53	163.72	163.07	—	170.96 (27/7)	120.61 (2/3)	170.96 (27/7/71)	120.61 (2/3/71)
	Oil (2)	348.55	−0.4	5.81	17.22	3.59	349.99	350.89	351.05	345.66	262.54	363.50 (27/7)	260.74 (2/3)	431.66 (29/5/69)	87.23 (29/5/62)
	500 SHARE INDEX	178.77	−0.8	5.75	17.38	3.70	180.24	180.18	179.58	178.54	135.38	187.27 (27/7)	132.46 (2/3)	193.73 (31/1/69)	84.86 (26/6/62)
	FINANCIAL GROUP (121)	167.22	−0.8	—	—	2.85	168.57	167.84	167.06	165.47	111.34	173.44 (28/7)	119.73 (10/2)	173.44 (28/7/71)	69.38 (30/8/65)
	Banks (6)	179.53	−0.7	7.69	13.01	2.83	180.84	184.05	181.19	177.55	102.47	189.94 (27/7)	101.65 (6/1)	189.94 (27/7/71)	69.25 (16/6/64)
	Discount Houses (6)	172.12	+0.7	—	—	4.48	170.96	168.49	169.17	169.55	120.15	176.87 (27/7)	130.72 (6/1)	176.87 (27/7/71)	87.65 (18/6/69)
	Hire Purchase (6)	247.36	−0.4	4.35	23.00	3.10	248.24	247.79	250.90	249.75	177.57	266.59 (19/7)	188.57 (18/1)	266.59 (19/7/71)	80.02 (3/8/65)
	Insurance (Life) (9)	139.96	−1.0	—	—	3.09	141.44	141.46	143.82	144.49	118.02	155.17 (16/7)	123.16 (18/1)	159.83 (18/1/69)	61.35 (30/8/65)
	Insurance (Composite) (9)	130.78	−2.2	—	—	3.27	133.72	130.24	129.92	128.59	81.15	134.50 (28/7)	89.80 (10/2)	134.50 (28/7/71)	54.40 (16/3/65)
	Insurance (Brokers) (10)	172.02	−0.4	5.09	19.63	2.52	172.75	172.80	173.13	173.04	102.50	179.08 (22/7)	118.27 (4/1)	179.08 (22/7/71)	82.59 (24/7/68)
	Investment Trusts (20)	189.82	−0.7	3.00	33.38	2.79	191.13	190.24	188.47	188.39	145.02	198.14 (16/7)	152.16 (2/3)	215.04 (31/1/69)	80.84 (26/6/62)
	Merchant Banks, Issuing Houses (15)	167.32	−0.2	—	—	2.28	167.72	164.21	163.37	162.51	116.58	173.43 (20/7)	108.44 (16/3)	181.25 (14/2/69)	50.47 (16/7/65)
	Property (31)	212.25	+0.3	2.73	36.58	2.26	211.56	210.61	209.33	205.89	139.13	212.25 (10/8)	139.37 (8/3)	212.25 (10/8/71)	56.01 (20/4/65)
	Miscellaneous (9)	170.81	−0.5	6.00	16.66	4.32	171.79	171.71	171.57	170.78	—	179.01 (26/7)	120.73 (4/1)	179.01 (26/7/71)	120.06 (31/12/70)
	ALL-SHARE INDEX (621 SHARES)	175.80	−0.8	—	—	3.50	177.23	177.01	176.36	175.19	129.36	183.66 (27/7)	129.47 (2/3)	183.66 (27/7/71)	83.72 (25/6/62)
	COMMODITY SHARE GROUPS (*Not included in the 500 or All-Share indices*)														
	Rubbers (10)	222.75	+7.6	10.29	9.72	7.95	207.05	204.76	203.75	203.01	138.36	222.75 (10/8)	163.62 (7/4)	222.75 (10/8/71)	84.68 (25/6/65)
	Teas (10)	89.28	+0.1	17.21	5.81	8.99	89.19	89.50	88.88	89.08	72.51	91.08 (15/7)	78.71 (3/3)	114.64 (14/5/64)	59.96 (14/11/66)
	Coppers (4)	325.61	+0.6	54.52	1.83	†	323.80	323.01	324.62	328.82	280.82	350.50 (12/7)	235.80 (21/1)	350.50 (12/7/71)	94.08 (29/4/62)
	Mining Finance (11)	101.92	−0.3	5.56	18.00	3.35	102.23	102.24	103.16	103.59	118.60	106.79 (5/7)	96.00 (2/3)	175.90 (28/4/69)	96.00 (2/3/71)
	Tins (8)	70.12	−0.3	11.32	8.83	8.95	70.34	70.82	70.95	71.76	58.64	74.77 (20/7)	62.11 (4/1)	106.97 (29/6/66)	54.85 (27/5/70)

FIXED INTEREST	Tues., August 10 Index No.	Tues., August 10 Yield %	Mon. August 9	Friday August 6	Thurs. August 5	Wed. August 4	Tuesday August 3	Monday August 2	Year ago (approx)	1971 High	1971 Low	Since Compilation High	Since Compilation Low
Consols 2½% yield	—	9.43	9.45	9.42	9.42	9.42	9.33	9.32	9.13	—	—	—	—
20-yr. Govt. Stocks (6)	78.11	‡8.35	78.35	78.42	77.80	77.51	78.16	78.03	73.77	80.68 (16/7)	70.60 (4/1)	115.42 (11/9/63)	68.43 (15/6/70)
20-yr. Red. Debentures & Loans (15)	72.01	‡10.26	71.99	72.17	72.15	72.18	72.14	72.02	71.36	72.44 (19/7)	68.42 (4/1)	113.43 (23/10/63)	66.59 (16/6/70)
Investment Trusts Prefs. (15)	68.96	10.70	68.96	69.31	69.31	69.31	69.31	69.10	71.50	69.38 (14/6)	66.23 (11/1)	114.41 (13/9/63)	66.23 (11/1/71)
Commercial and Industl. Prefs. (20)	74.16	10.41	74.16	74.43	74.35	74.41	74.41	74.39	75.57	74.43 (6/8)	69.02 (15/1)	114.41 (7/10/63)	69.02 (15/1/71)

ction or Group	Base Date	Base Value
l Manufacturing	29/12/67	114.13
l Retailing	29/12/67	114.13
rance Brokers	29/12/67	96.67
ng Finance	29/12/67	100.00
es and Spirits	16/1/70	144.76
and Games	16/1/70	135.72
e Equipment	16/1/70	162.74
strial Group	31/12/70	128.20
ellaneous Financial	31/12/70	120.06
Other	10/4/62	100.00

‡ Redemption yield.

F.T.-Actuaries indices are calculated by Extel-Communications Limited (a member of the Exchange Telegraph Group) on an IBM 360 computer.

A current list of constituents of the F.T.-Actuaries Share Indices can be obtained from the Publisher, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By post inland 16p. Commonwealth 16p. Foreign 19p.

CONSTITUENT CHANGES: Yorkshire Dyeware is now Yorkshire Chemicals (Chemicals).

ersrust Platinums (R0.02½) 176⊕ 70
Brand (R0.50) 500 5 12‡
Steyn (R0.50) 263⊕ 60 3 2 4
Leases (Vogels.) (R0.02½) 12
Mines Hldgs. (R0.50) 85⊕
Mines Props. (R1) 1801⊕
Selection (R0.50) 668⊕ 50 600⊕ 2‡⊕ 70
lena (R1) 580 70 2 85 75
st Beperk (R0.10) 79
West Africa Co. (20p) 125⊕ 30
al Hldgs. (R0.50) 173‡. Option (Reg.) 143
tein (R0.50) 38½ 7
gel (R0.02½) 65 8
al Consd. Exploration (R1) 327½⊕ 0⊕ 15
nvests. (R1) 136⊕ 8½⊕ 41
Corpn. (R0.06¼) 198 4 7 9 8½ 195
leets Exp. (R0.50) 580 72‡
spost (R1) 54
ping Ests. (R2) 11½
Orange Free State (R0.50) 23
tein (R1) 43
n (R0.50) 101⊕ 100 99 100‡ 1
Driefontein (R1) 994⊕ 82 80 65 75
Rand Consd. (R1) 37⊕
Rand Invest. Tst. (R1) 355‡⊕
Witwatersrand Areas (R0.25) 860⊕ 60 900 858 63‡
n Areas (R1) 90⊕ 89 8
n Deep Levels (R2) 455 5‡
n Hldgs. (R0.50) 905 900 2 900‡ 2‡
n Reefs Exp. Devpt. (R0.50) 285⊕ 0
haak (R1) 131‡⊕ 80⊕ 76 4 8 5 0 79
m (R1) 31 2 3 30‡

West African (5)

amated Tin Nigeria (Hldgs.) (25p)
Tin (10p) 6¼
nd Base Metal (12½p) 4½⊕
River Estates (12½p) 4

Diamond (80)

dated African Selection Tst. (25p) 18 16 11 9‡ 15 14½‡ 13 10
ws Cons. 40pcPf. (Reg.) (R5) £13⅛.
(Reg.) (R0.05) 203‡⊕ 199⊕ 209 6 10 3 5 4 6½
amond Cpn. (R0.10) 9

OIL (258)

Pet. ($A0.50) 22⊕ ½⊕ 3 2½
Ecuadorian Oilfields (50p) 64½ 5 4
Oil 85½ 7
Borneo Pet. Synd. (10p) 168⊕
Pet. 608 6 9 10 7 5 5‡ 4‡ 6‡. ndPf. 92. 5pc1stDb. 77½. 6pcConv. 78½ ½
Oil 431 30 29 32 28‡. Wrnts. Ord. 145. 7¼pcPf. 74. 8pcPf. 6¼pcDb. 91½⊕ 90½. 7½pcUns. 0. 8½pcUns.Ln. 84 5 4½
Gen. Hldgs. (10p) 42⊕ 30 ½⊕ 3 4.
nv.Uns.Ln. 1900 90
et. 5½pc1stDb. 1979-83 68
r Consold. Oilfields (5p) 13¼⊕ 13
Dutch Pet. Shs. Br. (Fl.20) £21¼⊕
Transport Trdg. (Reg.) (25p) 400‡⊕ 401 400 399 81 8 6‡ 9‡ 2. Ord. (25p) 400 2. 7pc2ndPf. 72 3½
Romana (Brit.) (8pcCum.Ptg.) (35p)
Canada Com. Shs. n.p.v. £17⊕
ar (25p) 269 72 1 3 4. 7pcUns. 41⊕
s (Century Oils) (10p) 75⊕ 4½⊕ 40

PROPERTY (574)

Prop. Hldgs. (25p) 102½⊕ 4½⊕ 4½ 6 7 5½ 4. 8½pcUns.Ln. 79
London Props. (10p) 51½⊕
mated Invest. Prop. (25p) 326⊕ 10 29 33 4 27‡ 7 31 26 5 32. ns.Ln. 87-92 76½. 8pcUns.Ln. 75
Secs. (5p) 13¼ ½
Prop. Tst. 6½pcUns.Ln. 65½⊕
Props. (25p) 108. 7½ 7
ted Development Hldgs. 10pcUns. 10½
nt Props. (25p) 106⊕ 7⊕ 8 11 10 9½

Berkeley Prop. Invest. (25p) 128½⊕
Bradford Prop. Tst. (25p) 137⊕ 8
British Land (25p) 134½ 3½ 4 5. 9½pc Uns.Ln. 1978 94½
Brixton Estate (25p) 113 12. New 112½
Calgary Edmonton Land (7½p) 8½ ¾
Capital Counties Prop. (25p) 92⊕ 2 3½ 2½. Warrants to Sub. for Ord. 41½⊕ 3 2½ 7 4 3½ 4½. 6pcPf. 55⊕. 7pc 1stDb. 74½. 9¼pcUns.Ln. 93½⊕ 4⊕ 3⊕ ¼ 3 ½
Centrovincial Ests. (20p) 69
Charlwood Alliance (10p) 70½⊕ 1½
Chesterfield (25p) 127⊕
City Acre 100¼
City Country (10p) 33⊕ 5 4 3½. 6pcLn. 87½⊕
City Wall (25p) 161 59½ 61½
Cornwall 76½ 7 8 7½. 10pcPf. 104
Country New Town (10p) 31¼ ¼. 7pcLn. 112
Daejan (25p) 62½⊕
Dares (20p) 8. 8pcLn. 55⊕
Edgar (25p) 184⊕ 96 3 7 2 7½ 5 4 8. 6pcDb. 63⊕
Estates (25p) 145. 7¼pcLn. 106
Evans of Leeds (25p) 95½⊕ 4½. Do. New 94½⊕ 4½
Grand Junction (25p) 132½
Great Portland (50p) 342 4
Green (R.) (10p) 49
Greencoat (15p) 49½ 50 ½
Grendon Secs. (10p) 89⊕ 7
Grovewood (5p) 27⊕ ¼
Guardian (25p) 66
Guildhall (25p) 52
Hallmark 8½pcLn. 71½
Hammerson A (25p) 419⊕ 20
Haslemere (10p) 112⊕
Heron 10¼pcDb. 28½
Holloway Sackville 7¼pcDb. 75‡
Investment (25p) 55⊕ 7
Land House (50p) 117 18
Land Secs. (50p) 179 80½ 79½ 81 79‡ 7. 8½pcLn. 87 6½. 4pcLn. 138½. 5¼pcLn. 141 2. 6¼pcLn. 133
Law Land 367⊕. 5pcPf. 45⊕
Lewston (12½p) 77 6 ½ ¼
London City Westcliff (10p) 38⊕ 7½ ¾ 8
London Housing (25p) 83⊕
London Shop Property Tst. 6½pcUns.Ln. 95½ 6½
Metrop. Ests. Prop. (25p) 177½ 7 6½. 4½pcPf. 45. 6pcUns.Ln. 77⊕ 6½‡ 7 6½. 5pcUns.Ln. 130½ 29½
Mountview Ests. (5p) 27
Mucklow (A. and J.) (25p) 127 20 30. Dfd. 68⊕ 9 73
New London 6pcPf. 132⊕
Peachey Propy. Corpn. (25p) 89½⊕ 9 90 89½ 8½
Property Reversionary Inv. Corpn. (25p) 150⊕. 5pcPf. 41½⊕
Property Hldgs. Inv. Tst. (25p) 189
Property Partnerships (25p) 61
Raglan Propy. Tst. (5p) 12 ¼
Regional Propy. A (25p) 270 3 2
St. Martins Propy. Corpn. (25p) 310⊕ 7 6‡
Samuel Properties (25p) 235
Second City (10p) 28¾ ¼
Slough Ests. (25p) 95⊕ 5 4½ 4
Sovereign Secs. (20p) 99½⊕ 100⊕ 100 98½ 9 7½ 7 8
Star (Gt. Britain) Hldgs. (50p) 208½⊕ 5½⊕ 7½ 7 5½‡ 5‡ 6‡ 6 3‡ 4‡ 9½. 6½pc Uns.Ln. 205⊕ 4⊕ 2 198 7½ 5‡ 8‡ 9 8½ 6‡ 200 3½
Stock Conversion Inv. Tst. (25p) 580. 5½pc Uns.Ln. 162
Sunley (Bernard) (25p) 211⊕ 12 13 14 18
Town City Props. (10p) 131‡⊕ 1⊕ 30 28½ 30½ 29½ 9 5‡
Town Commercial (20p) 126 5. 6¼pcUns. Ln. 105½⊕ ¼⊕ 6 5½
Town Centre Secs. (25p) 55
Trafalgar House Invests. (20p) 113½⊕ 9½ 11½ 12 10‡ 12½ 10 13. 9½pcUns.Ln. 13½. 7½pcPf. 33‡. 7pcUns.Db. 58 9. 9½pcUns.Ln. 109½. 8pcUns.Ln. 150
United Real Propy. Tst. (25p) 223⊕
Webb (Joseph) (5p) 16½ 17‡ 17. 7½pcPf. 47
Westminster Propy. Inv. (20p) 113
Wingate Inv. (20p) 77

RUBBER (79)

Castleford (Klang) (10p) 18
Ceylon Consolidated (5p) 7½
Duff Development (25p) 83
Gadek Estates (10p) 11½
Golden Hope Plantations (10p) 39¼⊕ 42
Guthrie 202⊕ 4 5 2 3 1‡ 7. 5¼pcPf. 46
Highlands Lowlands Para (10p) 36
Kuala Lumpur-Kepong Amalg. (10p) 23⊕
Kulim Grp. (10p) 24¼⊕ 5¼
Kurunegala Hldgs. (7½p) 10¼
London Asiatic Rbbr. Produce (10p) 42¼⊕
London Sumatra Plants. (10p) 18½ ¼ ¼
Malakoff Rbbr. Ests. (10p) 19½
Malaysia Rbbr. (10p) 13¼
Merlimau Pegoh (10p) 18
Parambe Rbbr. Ceylon (10p) 33 2
Pataling Rbbr. Ests. (10p) 40⊕
Plantation Hldgs. (10p) 23¼⊕ 4⊕ ¾ ¼. 20pcLn. 128⊕. 11pcLn. (f.p.) 110⊕ 8⊕ 8 7 7‡ 10
Seafield Amalg. Rbbr. (10p) 44¼⊕ 50 2 7 48 9
Sungei Bahru Rbbr. (10p) 11 ¾

SHIPPING (126)

Anglo Norness 6¼pc 79¼ 5
British Commonwealth (50p) 214. 16. 5¼pcPf. 52 1½. 10½pcLn. 102½
Caledonia 5pcAPf. 46
Court Line (25p) 127½ 5 6 7 8
Cunard Steam 193⊕ 4⊕ 6 3 1 7 90 5 4½ 4 90½ 2 88 90‡. 5pcPf. 70⊕. 6pc Pf. 70
Fisher (James) Sons (25p) 317 18
Hunting Gibson 154
Jacobs (John I.) (20p) 61
London Overseas Freighters (25p) 56⊕ 5¼⊕ ¼ 6¼ 5½ 5‡
Manchester Liners (20p) 64⊕
Ocean Steam (25p) 104
Peninsular Oriental Steam 5pcPfd. 46½ 7½. Defd. 168⊕ 6½ 7½ 7 6. 3½pcDb. 1953-73 87¼
Reardon Smith (50p) 66½ 5½. A (50p) 66½⊕ 5½⊕
Runciman (Walter) (50p) 233½
Union Castle Mail 5pcDb. 86¼

TEA & COFFEE (30)

Amblamana Tea (10p) 4¼⊕ ½
Assam African Inv. 29‡ 30
Assam-Dooars Hldgs. 76
Ceylon Tea Plants. Hldgs. 136 ½
Consold. Tea Lands 283
Demodera Tea (25p) 31 4
Deundi Tea 35⊕ 6
East India Ceylon Tea 6pcPf. 46
General Ceylon (Hldgs.) (10p) 3
Highland Tea Ceylon (25p) 6
Jokai Tea Hldgs. 6pcPf. 38
Jorehaut Hldgs. 68⊕
Lebong Tea 62
Longbourne Hldgs. 162‡
McLeod Russel 98‡
Nuwara Eliya Hldgs. 24‡⊕ 5½
Ruo Estates (25p) 39
Singlo Hldgs. (10p) 36⊕ 7
Warren 51½ 2
Western Dooars 56

TRAMWAYS & OMNIBUS (5)

Calcutta Tram 5pcPf. 15
Ewer George (10p) 17 16 ½

WATERWORKS (6)

Chester 7½pcDb. 77¼
Essex 10pcDb. 99½
Hartlepools 5pcMax. 45¼⊕
Mid-Kent 8pcDb. 81⊕
S. Staffordshire 7pcPf. 71⊕
Sunderland S. Shields Water 10pcDb. 97

SPECIAL LIST

AUGUST 10 (2)

Ditchburns 6pcPf. 50p⊕

RULE 163 (1) (e)

Bargains marked under Rule 163 (1) (e) in securities for which quotation has not been granted and which are not recorded in the Official List.

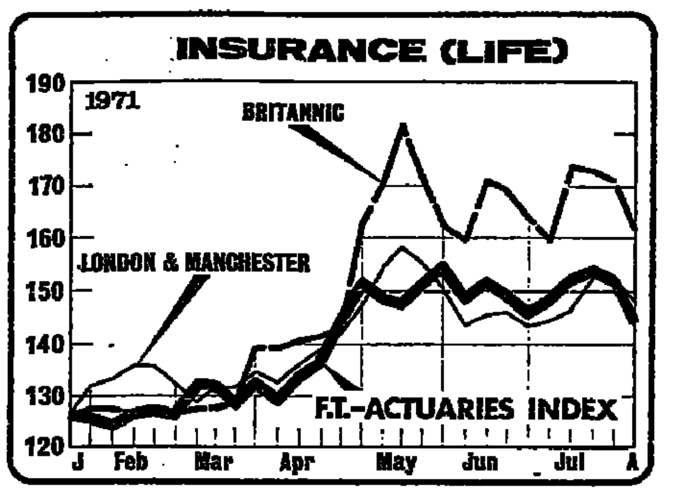
AUGUST 10

Austim 50½ 5‡ 1½ 1. New 5¼⊕ 3½ 4½ 4
Acmex Hldgs. 8½⊕ ½
Aust. Wide Mining 4¼⊕ ¾ 4. Options 1½⊕
Argo Inv. 56

Allstate Ex. 9 ½
Alliance Oil Dev. 12
Acmin 5
B.P. Oil Gas 340‡
Beach Petroleum 23 5
Bridge Oil 10¼⊕ 11⊕ 10⊕ 15 14½ 15¼ 14 15½ 13¼ 12 16½. part paid 4¼⊕ 5¼⊕ ½⊕ 9 8½ 10¼‡ 9½ 5¼
Bougainville (f.p.) 124⊕ 3. (p.p.) 83 4
Bounty Oil 2⊕ 2 1¼
Basin Oil 9 11 12 8½ 10½ ¼
Berjuntai Tin Dredging 204 6 200
Bounty Inv. 40
Colonial Sugar 246⊕ 1
Cudgen (R. Z.) 60⊕ 57⊕
Ciba Geigy 7¼pc 1978-91 (£50-pd.) 68⊕ 9 8½
Containers 102⊕
Custom Credit Corp. 99
Cultus Pacific 20½‡ 16
Coles (J. G.) 37 8 6½
Carr Boyd 24
Endeavour Oil 4½
Eastern Copper 6½
E.Z. Industries 140
Falconbridge Nickel Mines £49 5¼
Gulf Oil of Canada £12⅝⊕ ¾⊕
Hamersley Hldgs. 152‡
Hanimex 8pcPf. 39 43
Hastings Ex. 2
Hooker Cpn. 51‡⊕ 2
Hudson's Bay Oil Gas 21¼‡
Hubert Davis 65⊕
Hutchison Boag. 42
I.B.M. £142‡⊕ 40‡
Illinois Central Inds. $3.50. Cnv.2ndPf. (Ser. 1) £27¼
Intnl. Mining Cpn 16½
Intnl. Pacific Cpn. 50
Leopold Minerals 9
Loan Invest. 55⊕
Lower Perak Tin 19
Longreach Metal 5½
Mid Eastern Oil 37½⊕
Metal Ex. 224⊕
Mining Finance 19½
Murumba Oil 2¼ 3¼
May's Dept. Store £20⅝
Mid Eastern Minerals 9
Madison Square Garden 180
Magnum Ex. 7½
Nicholas Intnl. 37
N.W. Oil Minerals 7
Narlu 2½
New Metal 6
Northern Mining 18
New South Wales Oil Gas (50 cts) 20½
Norseman Gold 30⊕
Ocean Resources 9⊕
Oil Search 14 15 13½ 14¼
Omega Oil 3½
Poseidon £10¼⊕ 12⊕ 11⅝⊕ ¼⊕ ⅝⊕ 11 11‡ ½
Pan Continental 52⊕ 48⊕ 53
Planet Oil 18½⊕ 22⊕ 19
Pacific Copper 94⊕
Pexa Oil 2¼⊕
Peko Wallsend 418
Pioneer Concrete 54½
South Atlantic 40
Steep Rock and Iron 100
Shell Oil of Canada £17⅞
Selcast 76 ½ 5
Stella Mines Options 30
Slater Walker (Canada) 285 pm
Silver Valley Minerals 20
Tara Ex. 715 17
Travelodge 37
Tasman Minerals Options 5 6
Tenants Creek 6
Target Petroleum 3¼
Thiess Hldgs. 50⊕ 49
Theseus Ex. 12⊕
Walgreen £10⅞
Woodside Oil 60⊕ 3. Do. (30 cents) 40⊕ 1⊕ 3 2
Westmex 17½⊕ ½
Wit Industrial 300⊕
Whim Creek 229 5 30 23 2
Westfield Minerals 98
Westralian Nickel 20
Woolworth (Aust.) 31½
Wheelock Marden 116
West Coast Transmission £12½‡

(By permission of the Stock Exchange Council)

CORAL INDEX
Close 390-395



Having risen 19 per cent. in the early months of the year in line with the general market buoyancy, there has been no real incentive to push Life Insurance shares higher and this subsection of the F.T.-Actuaries index has since moved irregularly to show a current improvement of only 11 per cent. over the year to date. In comparison, the parent Financial Group and All-Share indices are up 40 and 30 per cent. respectively over the same period. Britannic's outstanding gain to mid-May reflected take-over speculation.

Option Report and three-month "Call" rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Aug. 3	Aug. 16	Oct. 28	Nov. 9
Aug. 17	Aug. 31	Nov. 11	Nov. 23
Sept. 1	Sept. 13	Nov. 25	Dec. 7

Business was quieter yesterday in the Option market. "Calls" were arranged in **Cannon Street Investments, Furness Withy, Cunard Non-assented, Geo. Wimpey, Ralli International, Charter Consolidated, Woolworth, Vickers, Kent Castings, Liden Holdings, British Leyland, Marshall Morgan, A.B. Electronic, Lonrho, Watney Mann, Beaverbrook "A," Armour Trust, Tremletts, Western Mining, Slater Walker, Argentine Southern Lands** and **First National Finance.**

"Puts" were taken out in **Lonrho** and **ICI,** while double options were completed in **Booker Bros., Cannon Street Investments, President Steyn, Wheelock Marden** and **First National Finance.**

Prices in pence unless otherwise stated.

Industrials							
A. P. Cement	18	G.U.S. "A"	22	Reed Intl.	13	**Mines**	
Barclays Bank	35	Guardian	14	Slater Walker	20	Anglo Amer.	25
Beecham	18	Guest Keen	20	Tesco	5	Broken Hill Prop.	62
Boots Drug	11	Hawker Sidd.	20	Thorn 'A'	25	Charter Cons.	22
Bowaters	16	Hay's Wharf	20	Tube Invs.	25	Charterhall Fin.	6
B.A.T.	20	House of Fraser	17	Unilever	20	Cons. Gold	20
British Leyland	3	I.C.I.	15	Utd. Drapery	15	De Beers Def.	15
British Oxygen	5	"Imps"	5	Vickers	7	F. S. Geduld	52
Burton "A"	15	I.C.L.	20	Woolworth	5	Great Boulder	20
Butlin's	3	Int. Stores	7			Hampton Areas	15
Cadbury's	7	Inveresk Paper	5	**Property**		Hampton Props.	9
Courtaulds	10	Jessel Secs.	25	Cap. Counties	12	Kloof	20
Cunard	13	Legal & General	22	Land Secs.	12	Lonrho	10
Debenhams	14	Lloyds Bank	35	Peachey	7	Loraine	5
Distillers	11	"Lofs"	7	Star. (Gt. Brit.)	20	Metals Explor.	26
Dunlop	13	"Mams"	12	Town & City	12	Newmetal	3
EMI	12	Marks & Spencer	18	Town & Comm.	14	Poseidon	£2½
Fisons	19	Metal Box	2?			Pres. Steyn	20
G.R.A. Trust	12	Midland Bank	35	**Oils**		Rio-T.Zinc	15
Gen. Accident	12	NatWest Bank	35	Brit. Petroleum	35	Welkom	12
General Electric	9	P.&O. Defd.	15	Burmah Oil	33	West Areas	9
Glaxo	25	Plessey	10	Oil Search	4	Western M'ng.	20
		Ralli Intl.	11	Shell	25	Zambia Copper	7
		Bank Org. "A"	47	Ultramar	24		

REGIONAL MARKETS

Markets moved cautiously in light trading yesterday.

Doreen (Dublin) rose 2p to 25p on the Irish Exchange, as did **Sunbeam** to 46p and **Lyons Irish Holdings** to 80p. **Metal Products** fell 7p to 28p, **Irish Ropes** 2½p to 45p and **Clondalkin Paper** 1p to 54p.

On the Midlands and Western SE, **DRG** were down 2p to 154p, while **F. J. Reeves** lost 1p at 46p. **Gardiners** were quoted 65p ex-rights.

Overseas Financial Trust jumped 17½p to 425p, **Sovereign Securities** advanced 8p to 100p and **G. F. Lovell** were up 6p to 41p. **David S. Smith** gained 4p to 46½p, but **Saunders Valve** reacted 9½p to 160½p. **Delyn** eased 1½p to 44½p, while **Aberthaw Cement,** 140p, **Bland,** 34p, **Kent Castings,** 85½p, and **Rivlin,** 40p, were all 1p lower.

Highgate Hotel put on 5p to 19½p, while **T. J. Evans,** at 50p, and **Belgrave (Blackheath),** at 45p, were both 2p better. **Bonsor Engineering** lost 3p at 19p.

On the Northern Exchange, **Northern Developments** were lifted 14p to 237½p and **General Engineering Radcliff** rose 2p to 17p on its chairman's statement. **Grattan Warehouses** fell 8p to 272p, **Provident Clothing** 2p to 232p and **Troydale Industries** 2½p to 18½p. **Yorkshire Chemicals** added another 2p at 206p, but **Allied Colloids** surrendered a further 3½p at 142½p. **Associated Dairies** lost 4p to 274p, while **J. Bibby** gave up 15p to 90p on the interim results. **Hunting Gibson** were lowered 2½p to 154p, and **Reyrolle Parsons** came back 8p at 137p. **William Crowther** rose 4p to 66p and **George Dew** put on 3p to 83p. **Adams and Gibbon** jumped 10p to 72p on its excellent interim figures.

A.W. Securities were dealt in at 37½p, as were **Estates Properties** at 144p, **Robert Hudson** at 70½p, **Imperial Metal** at 69p and **Stylo Shoes** at 50½p.

S. Osborn slipped back 2p to 65p, while **Wilson Peck** marked at £11⅜.

On the Scottish SE, **Teachers (Distillers)** dropped 4p to 239p and 3p falls were seen in **Distillers,** 148p, and **National Commercial Bank,** 138p. **House of Fraser** shed 2½p to 188p, while **Babcocks and Wilcox,** at 266p, and **Scottish Brewers,** at 426p, each lost 2p. Falls of 1p were seen in **Wylie Hill,** 31½p, **Inveresk Paper,** 28p, and **Scottish Metropolitan Properties,** 107p. **Highland Distilleries** improved 1p to 164p and **Howden Group** ½p at 66p.

Prices in pence and denominations of 25p unless otherwise stated

BELFAST											
B'fastC3½%1975	£95	......	Graig Ship £1	340	......	Heaton Wm10p	3	......			
B'fast Rope £1	75	......	Hal'mSl'gh10p	10½	......	Higsons Brew.	115½	......			
Hughes (B) £1	150	......	Hill (Chas) £	142½	......	HindsonRd20p	50	......			
Vulcanite	107½	......	Kleen-e-ze	47½	......	Holt(Joseph)£1	480	......			
IRISH EXCHANGE			Lovell'sShip£1	86	......	Ingham(G) 10p	10⅝	......			
Exch-6% (80/85)	£74.67	......	LyeTr'ding10p	22½xd	+1	I.O.M. Stm.£1	125	......			
Alliance Gas £1	96½	......	Pearce C. H.	40	......	KettonCem.£1	405	......			
Cement Road.	65	−1	Penarth, Eng.	50	......	L'poolGrain £1	115	......			
Clond'lkn Pr.	54	−1	Stodall (Wm)	43	......	Man. Canal £1	252	−1			
Goodbody £1	32½	......	Smith (Herm).	10	......	Most H. & Son	80	......			
Goulding	51	+1	Supra Chem.	42½	......	Nicholas Vim.	120	......			
Helton (Hldgs)	65	......	Vincent (H.)	44½	......	Nthn.Gldsmth	57	......			
Irish Distillers	106	......	Watsham's	15	......	P.M.A.	80	......			
Irish Wire Bds	73½	......	Wykes(Leic)10p	28	......	Peel Mills	11	......			
Jacob	46	......	**NORTHERN EXCHANGE**			SayerConf 12½p	42½	......			
Silvermines(5p)	20	......	Albany Inv.20p	39	......	SwanLnSp33½p	13	......			
Smith Group	55	......	Ash Spinning	34	......	Taven'rRut 20p	56	......			
Sunbeam	46	+2	Belgrave M 20p	5	......	Tymack (W) 10p	26¼	......			
Switzer	82	......	Bibby & Baron	40	......	Wood (Ld.)	5¾	......			
Unidare	26½	......	Booth Cnss.10p	15	......	Wo'dw'dH12½p	42½	......			
MIDLANDS & WESTERN			Brady (G)	92	......	Yorks Spin 20p	15	......			
B'ham Post A	48½	......	Braime (T&J)	40	......	**SCOTTISH EXCHANGE**					
Castings 10p	29	......	Bridgw'rEst50p	182½	+1½	AtlasPl'st'c10p	11¼	......			
Clough (A) 5p	14	......	Brit.Nth'p 50p	45	......	Brunton (M)	83½	......			
Dunn(W.H.) 10p	10½	......	Burnett & H	44½	......	Clyde Paper	41	......			
Koons(10p)	30	......	Bury King 20p	64	......	Coltness Ind.	18½xd	......			
EvansFrdk 10p	32	......	Clover Croft	25	......	Craig & Rose £1	182	......			
Evered	50	......	Cromer Ring £1	55xd	......	Dalm're White	32	......			
FordhamHd 5p	36	......	Dyson R.A. 'A'	40	......	Dykes	125	......			
Frost&Reed50p	135	......	Ellenroad	59	......	Galloway(J)	7¼	......			
Gardiner £1	65xr	......	Eng.NatInv.£1	49	......	Hill & Wylie	31½	−1			
Gordon J. S.	12½	......	Ess Ring	18	......	Lees(JJ) (10p)	25	......			
			Gandy	32½	......	Mackinnon	80	......			
			Gardner (L.)	170	......	Morrison & G.	11¼	......			
			Gaunt (Rid)	22½	......	Richards(5p)	17½	......			
			Golden Egg	118	......	Scotcros	54	+1½			
						United Wire	58	......			

NEW "HIGHS" AND "LOWS" FOR 1971

The following securities (number in parentheses) among those quoted in London Closing Prices yesterday attained new "highs" and "lows" for 1971:—

The following securities (number in parentheses) among those quoted in London Closing Prices yesterday attained new "high" and "lows" for 1971:—

NEW "HIGHS" (91)

FOREIGN BONDS (1)
Chilean Mixed

LONDON U.S. DOLLARS (1)
Enso-Gut 6½% 1980

BANKS (1)
Overseas Fin. Tst.

BUILDINGS (5)
Heywood Williams — Nthn. Developments
Jennings — Whatlings
Johnson-Richards Tiles

CHEMICALS (1)
Brent Chemicals

CINEMAS (3)
Anglia TV "A" — Westward TV "A"
Grampian TV "A"

DRAPERY AND STORES (3)
Executex — Raybeck
Forbuoys

ELECTRICALS (2)
G. & M. Power Plnt. — Ward Goldstone

ENGINEERING (10)
Bronx Engg. — Paul (W. H.)
Gen. Engg. (Radcliffe) — Priest (Ben.)
Lloyd (F. H.) — Ransomes Sims
Ldn. Midland Inds. — Stee. Group
Moss Engineering — Woodhouse Rixson

FOODS (3)
Bovril — Richardson (A.)
OP Chocolate

HOTELS (1)
Assoc. Hotels

INDUSTRIALS (15)
Barclays Secs. — Lancaster Carpet.
Bluestone Elvin — Lewis Peat "A"
Brooks Ventilation — Newton Chambers
Development Secs. — Ocean Wilsons
Glanfield Secs. — Powell Duffryn
Gala Cosmetic — Sime Darby
Parrisons Cros. — Tissus Michels
Reena Reddaw — Toter Kemsley
Jardine Matheson — Tremletts

INSURANCE (1)
Leslie Godwin

MOTORS (2)
Flight Refuelling — Adams Gibbon

NEWSPAPERS (1)
Gordon Gotch

PAPER, PRINTING (2)
Capseals — Smith (David)

PROPERTY (14)
Alliance Prop. — Guardian Prop.
Allied London — London Housing
Beaumont Prop. — Sovereign Secs.
Capitol Counties — Sunley (B.) Invs.
Edger Invsts. — U K. Property
Gt. Portland Ests. — United Real Prop.
Greencoat Prop. — Webb (Joseph)

SOUTH AFRICANS (1)
Associated Manganese

TRUSTS (4)
Halma Inv. — Broadview Fin. Tst.
Harcros — Diploma Invst.

OILS (3)
Anglo Ecuador — Walker Century
Basin Oil (20cts. pd.)

RUBBERS (10)
Cons. Salak — London Asiatic
Golden Hope — Malakoff
Guthrie Cpn. — Pataling
Highlands — Seafield Amal.
Kuala Kepong — Straits Rubber

TEAS (3)
Makum — Demodera
Moran

MINES (1)
Durban Deep

NEW "LOWS" (22)

LONDON U.S. DOLLARS (4)
Australia 6½% '77 — Nrwgn. Pwr 5½% '85
Nrgs. K 5½% 69-84 — Rautaruukki 6¼% 1969-79

AMERICANS (2)
Kaiser Aluminium — U.S. Steel
Shell Oil

BANKS (1)
Minster Assets

ENGINEERING (2)
Brit. Aluminium — Jacks (Wm.)

FOODS (1)
British Vending

INDUSTRIALS (4)
Burroughs 3½% — Cole (R. H.)
1977-82 Ship. Indstl. Hldgs.
Canon Inc.

MOTORS (1)
General Motors

SHIPPING (1)
Hunting Gibson

TRUSTS (1)
First Inv. Am.

TEAS (1)
Longbourne

MINES (2)
Anglo-Am. Inv. — New Broken Hill
Coronation

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	1	29	18
Corpns. Dom. and Foreign Bonds	8	41	84
Industrials	199	497	1,017
Financial & Prop.	71	157	310
Oils	7	6	17
Plantations	22	6	60
Mines	21	37	123
Recent Issues	12	16	84
Totals	341	789	1,713

BSC expects realistic prices for its assets

BY OUR INDUSTRIAL CORRESPONDENT

DETAILS of the peripheral interests to be sold off as part of the restructuring of the British Steel Corporation were revealed yesterday by Mr. Henry Mutkin, newly appointed director of corporate reorganisation with the BSC's corporate strategy unit.

Mr. Mutkin, in an interview in the BSC's own Steel News journal, said the Corporation had already received an encouraging number of inquiries about the interests it intended to hive off. "Anyone who thinks the Corporation will be giving them away will be unlucky, as we intend to get realistic prices," he said.

BSC is trying to dispose of its assets concerned with the manufacture of building bricks—but not refractory bricks—tool and tool steel making, stamping, bright bars, industrialised housing and a small engineering works, he confirmed.

"The works which will be chiefly affected in these respects are 10 ordinary building brick works situated in the Cheshire and Wales and in the East Midlands-North Lincolnshire region: Openshaw; Cookley; William Robertson, Talbot Stead and Co. in Warrington; Govan Shafting and Engineering Company in Glasgow; Roften Homes in Hooton; and Machynys Works at Llanelli," Mr. Mutkin said.

First time

This is the first time the works to be hived off have been identified by BSC, although there has been considerable speculation about most of them.

Mr. Mutkin also said discussions between the Corporation and Firth-Brown regarding overlapping interests in the Sheffield area, and with other concern about "the present illogic boundaries between the publ and private sectors" were movin ahead.

The formation of steel an billet making companies joint owned by the BSC and privat sector re-rollers is also possibl, Mr. Mutkin said, and this coul lead to the construction of on or two new mini-steelworks.

In addition, BSC is reopenin discussions with Guest Keen an Nettlefolds about the future the Corporation's Brymbo stee works, he confirmed.

In his new post Mr. Mutki will be responsible for co ordinating activities throughou the Corporation arising from th recent Government statement o the future structure of th Corporation. A charter accountant, he joined the BS in 1967.

See Men and Matters, Page 1-

Spode pottery commemorates Shahdom

THE SPODE pottery concern in Stoke-on-Trent is to produce a commemorative plate to mark the 2,500th anniversary of the establishment of the Shahdom of Iran.

A limited edition of 10,00 plates is to be manufactured, an already many orders have bee received.

A spokesman at Spode said it was the first time they had bee specifically asked by royalty to produce a commemorative plate. The Shah has ordered the first of the plates for his personal use.

Belfast a "hostile area"—BALPA

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE BRITISH Air Line Pilots' Association yesterday declared Belfast "a hostile area" and said that any one of its pilot-members refusing to stop there overnight would be fully supported by the Association.

BALPA said it had taken this step because in recent weeks a number of its members stopping in Belfast overnight in order to take flights out early in the morning or for other reasons had been the victims of terrorist incidents—in one case a crew was in a hotel that was bombed.

Where this kind of thing had happened in other parts of the world—such as the Middle East last year—pilots had been given the right by their airline employers to opt out of flying to such places.

In the case of Belfast, BALPA in day-long talks with the airlines yesterday, had asked for similar rights but this had been refused by the airlines. Accordingly, BALPA itself had decided to declare Belfast "a hostile area."

Difficult position

This decision could put the airlines concerned — including BEA, Northeast, Cambrian, BOAC, Court Line, Caledonian/BUA and Dan-Air—in a difficult position.

If a BALPA member refuses to "overnight" in Belfast, and is disciplined by his employer, the airline concerned could face a major industrial dispute with all its pilots.

So far, there appears to be no question of pilots refusing actually to fly to Belfast, so that a direct threat to air services to and from the city does not seem to be imminent. Thus, it is now up to the airlines so to arrange their schedules as to avoid the possibility of having to ask a pilot to spend a night in Belfast.

BALPA was also highly critical of the manner in which BOAC had handled the question of lack of jobs for trainee pilots. It flatly denied that the two State airlines had consulted the Association on this matter prior to yesterday's meeting between BALPA and the employers.

The Association expressed its concern over the fact that BOAC could no longer guarantee employment to the 100 student pilots, and publicly urged all young persons thinking of taking up civil aviation as a career to contact BALPA for advice.

'LOCATE INDUSTRY AT E. MIDLANDS AIRPORT'

A report out to-day recommends that the East Midlands Airport area be developed into an industrial site to provide the companies concerned with home distribution and export facilities on their doorsteps.

The Derby and Derbyshire Junior Chamber of Commerce said passenger traffic alone had increased by more than 30 per cent. per year since the airport opened in 1965. In an area where old-established industries were under severe economic pressures the airport had a great opportunity to become the base for modern and newly established enterprises.

ACTIVE STOCKS

Prices in pence except where otherwise indicated.

Stock	Denomination	No. of marks	Closing price	Change on day	1971 high	1971 low
Commercial Union	25	15	456	−22	480	320
Imp. Chem. Inds.	£1	14	316	—	328	230
Amal. Inv. & Prop.	25	12	325	−10	340	193
Bovril	£1	12	477½	+10	477½	173½
Cunard	£1	12	191	+1	212	88
Reed Intl. 10pc Ln.	£100	12	£94	—	£101	90½
Beecham	25	11	313	−2	356	225
Charter Cons.	25	11	242	−1	271	204
Grand Metropltn.	50	11	179	−5	197	138½
Rio Tinto-Zinc	25	11	221	−3	270	210
Trutex	25	11	140	−7	155	75
Brit.-Am. Tobacco	25	10	348	−5	391	265
Star G.B. 6½pc Cnv.	£100	10	£198	−6	£204	£106
Thorn Elect. 'A'	25	10	393	−9	416	256
Unilever	25	10	320	—	327	215

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163 (1) (e) and reproduced to-day in Stock Exchange Dealings.

SHARE INFORMATION SERVICE: NOTES

The following Notes relate to Share Information Service:—

Denominations are 25p unless otherwise indicated.

Yields allow for value of declared distributions and rights and are based on middle prices.

Estimated price-earnings ratios and "times covered" are based on corporation tax of 40 per cent. and exclude transitional relief.

* Highs and lows marked thus have been adjusted to allow for rights issues for cash.

† Interim (or quarterly) since increased or resumed.

‡ Interim (or quarterly) since reduced, passed or deferred.

¢ Figures or report awaited.

†† Banks and Insurances: reserve allocations may preclude calculations of dividend cover.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k After local taxes. m Interim higher than previous total. n Rights issue pending. p*** Pence except where otherwise indicated. q Earnings based on preliminary figures. r Australian currency. s Dividends and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, p/e ratio based on latest available earnings. u Forecast dividend: cover based on previous year's earnings. v Tax-free up to 6s in the £. w Yields allow for currency clause. y Dividend and yield based on merger terms. z Dividends and yield include a special payment: cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. I Figures based on prospectus or other official estimates for 1971-72. F Figures based on prospectus or other official estimates for 1970. G Assumed dividends and yield after pending scrip and or rights issue. H Excluding refunds of U.S. Capital Gains Tax. J Figures based on prospectus or other official estimates for 1972. M Figures based on prospectus or other official estimates for 1970-71. N Equivalent rate before additional capital was paid up. P Figures based on prospectus or other official estimates for 1971. R Yields based on 1967 payments. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

¶ Price at time of suspension.

§ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.

Δ Indicates interim dividend, since paid, where none was paid before.

** Convertible loan stock issue in existence.

⊕ Merger bid or reorganisation in progress.

♣ Special deposit certificates.

♠ Same interim: reduced final and/or reduced earnings indicated.

‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.

§ Assumes all equity capital ranks for dividends.

¶ Cover does not allow for shares which may also rank for dividend at a future date. No p/e ratio usually provided.

♥ Excluding a final dividend declaration.

✻ Provincial quotations.

‖ No par value.

Abbreviations: xd ex dividends; xc ex scrip issue; xr ex rights; xrc ex return of capital; xa ex all; xdr ex drawings; xcd ex capital distribution; xpb ex partial bid.

F.T. SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH LOANS AND AFRICAN

PUBLIC BOARD AND OTHER LOANS

Corporation Short-dated Bonds

FOREIGN BONDS & RAILS

London U.S. Dollar and DM Issues

AMERICANS

S.E. List Premium

CANADIANS

S.E. List Premium

BANKS AND HIRE PURCHASE

†† Banks, etc.

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS, ETC.

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING AND METAL

ENGINEERING AND METAL—Gen. Cont.

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS AND CATERERS—Continued

INDUSTRIALS (Miscell.)

For Amal. Metal see under Engineering & Metal

For Annfield Hldgs. see under Foods

"Recent Issues" and "Rights" Page

INDUSTRIAL (Miscell.)—Continued

INSURANCE

MACHINE TOOLS

MOTOR, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Aircraft

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

STEELS

TEXTILES—GENERAL

TEXTILES—WOOL

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

Finance, Land, etc.

UTILITIES

OILS

RUBBERS—MALAYSIAN

RUBBERS—MISCELLANEOUS

SISAL

TEAS

India and Pakistan

TRUSTS, FINANCE, LAND—Continued

TEAS—Continued

Ceylon—

1971 High	1971 Low	Stock	Closing Price p	+ or —	Div. % or amount	Times covered	Gross Yield %
68	54	Bogowantalawa £1	57	......	10	1.0	17.5
7¼	4½	Central Prov.	6½	......	5	1.9	22.7
140	101¾	Ceylon Plants (£1)	136	+5	20	φ	14.7
24	16½	Dematolera..........	34	+3	—	—	—
45	36	Dimbula Valley £1	58	......	5	2.3	7.9
6	4¾	Galaha (20p)........	6	......	4	1.5	13.3
3½	2½	Gen. Ceylon (10p)	3¼	......	2	1.5	3.0
145	77½	Haulpha Ceylon £1	130	......	4	—	3.1
47	32½	Lanka (£1)........	47	......	5	1.2	10.6
50	37	Lunuva (£1)........	48	......	3	1.3	6.5
35	21	Nuwara Eliya (£1)	26	......	2	9.8	9.6
36	23¾	Ouvah High £1....	36	......	3	φ	9.7
125	92½	Polmadulla £1......	118	......	21	1.2	17.8
11¼	9½	Rajawella Hldg.50p	10	—½	—	—	—
13⅛	9⅜	Rosehaugh	11	......	5	0.4	11.4
4⅝	4	Scot. Ceylon	4	......	—	—	—
21¼	15	Scot. Tea & Lds £1	16½	+½	3	φ	16.1
51	36	Standard £1........	51	......	5	1.3	9.8
5	3¾	Tea Corporation....	3¾	......	—	—	—

MINES—CENTRAL RAND

1971 High	1971 Low	Stock	Closing Price p	+ or —	Div. % or amount	Times covered	Gross Yield %
98	70	Durban Deep (R1)	98	+5	14c	2.0	‡
110	68	East Rand Prp.(R1)	93	+1	4c	9.4	‡
28	21	Luipaards Vl. (10p)	28	......	2c	φ	4.2
15	8	Rand Leases (2½c)	13	+1	—	—	—
90	66¼	RandF'nt'n Est.(R2)	80	......	4c	1.5	‡
66¼	45	RobinsonDeep(2½c)	50	......	4½c	1.2	‡
42¼	20	Simmer (2½c)......	25	......	—	—	—
0	33	West Rand (R1)...	36	......	10c	2.5	16.2

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND

PLATINUM

CENTRAL AFRICAN

AUSTRALIANS

TIN—EASTERN

TIN—NIGERIAN

TIN—MISCELLANEOUS

1971 High	1971 Low	Stock	Closing Price p	+ or —	Div. % or amount	Times covered	Gross Yield %
315	235	Beralt Tin..........	253	......	84	2.0	9.0
67⅛	4½	Fabulosa (US$1)...	4½	......	—	—	—
340	218	Geevor	220	......	120	1.3	‡
128	101	London Tin (20p)...	108	—1	42½	1.1	7.9
89½	61	St. Piran............	61	......	20	1.4	8.2

COPPER

1971 High	1971 Low	Stock	Closing Price p	+ or —	Div. % or amount	Times covered	Gross Yield %
111	75	Esperanza (12½p)...	85	—5	50	1.5	‡
13⅛	10	Indian (10p)..........	11	......	11.1	3.0	10.1
296	237½	Messina (Ro. 50)...	252	—2	190	2.0	‡

MISCELLANEOUS

1971 High	1971 Low	Stock	Closing Price p	+ or —	Div. % or amount	Times covered	Gross Yield %
7⅞	6	Burma Mine (17½p)	6	......	—	—	—
26	17½	Cent. Prov Mn(12½p)	21	......	‡10	φ	10.1
31	13	Charterhall (5p)....	16	......	—	—	—
612½	375	Cons. Murch (10c)	400	—5	80c	2.1	‡
£79	£73¼	G. F. Mg. Ind. Db.	£79	......	7	38.0	e10.4
565	406	Northgate (C$1)...	425	—15	60c	2.2	4.9
270	210	R.T.Z.	221	—5	24	1.8	2.7
295	89⅝	Sabina Mines (C$1)	220s	......	—	—	—

For Notes, see Stock Exchange Dealings.

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Lombard

'Disparate elements' in EEC Debate

BY C. GORDON TETHER

"ON WHAT ALTERNATIVE course could they agree," said a national newspaper recently in an attack on those who "roar or wail" against the European connection, "ranging as they do from Powell to Foot, from the Monday Club to Tribune, and what weight in consequence can we attach to their views?"

The answer is, of course, that there is no reason why, because they happen to be agreed that it would not be a good thing for Britain to enter the EEC, they should have to be able to put forward an agreed instant alternative. It will be quite sufficient for them to contend at this point, seeing that the U.K. is under no immediate compulsion to change course, that entering EEC, with all that this would entail, is a less attractive proposition than all the possible alternatives—as, indeed, some other EFTA countries have already decided.

Common cause

But, to carry the argument a stage further, there is obviously no reason either why the fact that the anti-Market cause has assembled so many "disparate elements" under its banner must be regarded as making it less worthy than its pro-Market counterpart. After all, there are some pretty "disparate elements" on that bandwagon too. Mr. Ted Heath and Mr. Roy Jenkins do not exactly see things in the same light in the ordinary way. Nor does one normally expect to see powerful trade unions in the role of fellow travellers with Big Business. Then again, it is more than a little odd to find the Daily Telegraph hand in glove with the Guardian and the Mirror, not to speak of the Young Liberals.

The truth is that, if it is a matter of disparate elements making common cause, then the anti-Marketeers have nothing on their opponents. And since the EEC issue cuts across not only political lines but pretty well all other lines as well, pro-Marketeers are not justified in denigrating the divergent character of those on the other side of the battle line while portraying the divergent make-up of their own army as constituting additional proof of the virtue of its motives.

No unanimity

Nor is it any more appropriate for them to deride the opposition's arguments because they take different—sometimes conflicting—forms. Precisely the same can be said of the pro-Marketeers' advocacy.

The one thing they have in common is the belief that the country or the interests with which they happen to be identified, or both, would derive net advantage from entry into the EEC. What the anti-Marketeers have in common is the precise counterpart. If they speak with different voices when it is a matter of justifying their stand, so do their opponents, no matter how hard they try to conceal this.

To say this, however, is not to suggest that the anti-Market forces won't have to give greater coherence to their attack if they are to counter the efforts that are being made to try to discredit their case by questioning the motives or competence of some of those on their side.

The message

With the scales weighted as heavily against them as they must be with such a large part of the Press taking a pro-Market line and with the enormous initial handicap imposed by the Labour Party's shinnanicking to overcome, the anti-Market cause will have to rely primarily on the inherent strength of the arguments for staying out if it is to make its influence felt. Its disparate elements should pool their ideas and sink their differences to the extent necessary to get their joint message across. And if they are to give the stamp of meaningfulness to the whole exercise, they will have to achieve some kind of unanimity on the question of how public opinion is to make itself felt.

When the Common Market Safeguards Committee asserted in a recent advertisement "Let the people decide," it automatically invited the question "but how?" The fact that pro-Marketeers were immediately able to point out that the signatories of this clarion call were far from agreed on the answer to this question meant that the exercise boomeranged. If it is as important to keep Britain out of the EEC as anti-Marketeers are contending that it is, they must surely consider it worth their while making some personal sacrifices to attain their objective.

THE LEX COLUMN

Index fell 2.5 to 393.3

Price arithmetic in the Cavenham bid

It is easy enough to see why the question of Cavenham's share price and the underwriting of it have become the key issue for any new bid from this quarter, like the latest 475p one of £6.8m. in shares at 99p and £7.7m. in loan stock. Before the bidding started, Bovril was valued at £7.7m. (a year's high), *and Cavenham at some £17m.* The latest offer values Bovril at £14½m. while Cavenham's market worth has risen to £20½m., meaning a combined rise of £10m. on a £25m. base.

Now events have certainly changed in between. Bovril's profit forecast of £1.8m. against *£1.1m. pre-tax* might be worth £2m. Cavenham's retailing hive-off to Southdown (it raises tangible net worth £3m. to £6.3m. and was ratified yesterday) might be worth as much again, and a case can be made for putting a notional value of up to £3m. on the gearing to be introduced into the combined group. The present gap, then, is not unbridgeable, with the hopes for what aggressive management might achieve for the combined affair.

But few would bet that Rowntree would abandon the auction at this stage with Boardroom recommendation, while Cavenham, with 19 per cent. of the *Bovril equity now, has* demonstrated its degree of commitment. That implies higher values still, while even at these levels it is crucial that outsiders' money should be seen to be backing the bidder's share rating. The market must by now be sophisticated enough *not to be dazzled by earnings* per share arithmetic in takeovers and to see that share prices all round must be justifiable on the supposition that the issue was a merger rather than a takeover.

J. Bibby

Full of strength over the past month or so, J. Bibby dropped 14½p to 91½p on the interim figures yesterday, and no wonder. After losses of £386,000 a year ago, the April message was a fair measure of recovery towards the profits level of the first half of 1969 (£900,000). The outcome is profits of £427,000. Food products have come through with the budgeted turnround, worth perhaps £900,000. The deterioration has come in animal feeds, with lower volume and stock losses in the *second* quarter. In addition, Italian egg prices fell below expectations, which together with "certain provisions" leaves an ungroupable loss of roughly £100,000—half last year's rate but comparing with a break-even in the first quarter.

Animal feeds remain the vulnerable area in the current half, with weak demand compounded by foul pest and a good hay harvest. Elsewhere, profits are on a rising trend; lower raw material costs are easing back the interest charge, and after the sale of the broiler side—*which was losing something* under six figures in the first half—the year could produce around £1¼m. pre-tax.

The prop for a prospective p/e of about 11½ is the fact that the food product contribution, say £400,000, will still be under half optimum historic levels. The trouble is that the market has to revise its best hopes for this year down by as much as a quarter, and an accident-prone image is not a comforting background for the prospect of "*appreciable terminal costs*" on the animal feeds reorganisation.

Sime/Seafield

Sime Darby's 55p offer for Seafield—one-third in Ordinary shares and the remainder in loan stock with warrants—should not have come as any great surprise in itself. Seafield has always been regarded as one of the more attractive independent *rubber/palm oil* producers and the shares have already come up from a 1971 low of 29¾p to a new annual high of 51p ahead of the bid. Although the exit p/e of 11 and an estate acreage price of about £220 has much to recommend it on a trading basis, the offer was immediately vehemently rejected.

But whatever the commercial logic, the rejection is easily understandable on the grounds of how much more Sime Darby might be prepared to pay. Given the tax savings to Seafield in becoming a Singapore registered company and the various other cost savings, Sime Darby stands to add up to 30 per cent. to earnings.

Other things being equal it would lose as much again in terms of rating, for what would, after all, be a 40 per cent.-plus plantation content in pre-interest profits. But the effective net dividend set-up in *Singapore gives* Seafield earnings greater value to shareholders out there, and Sime's rating (a 16 prospective p/e) is made by an 80 per cent. far east share ownership.

UDT

The striking point to emerge from *UDT's report* is that following the rights issue and a property revaluation the borrowing ratio has dropped to 4.9 after hovering near 7 for a number of years. This implies that when the lending ceiling is scrapped the group can safely go after another £150m. of business. Secondly, the figures in the accounts suggest that the average cost of *borrowing fell* from around 8.9 per cent. to 8 per cent. during 1970-71, so there is scope for a drop of similar proportions this year given current deposit rates of around 7 per cent. Lastly, it would appear that pre-tax profits ex investment income and a notional return on short term funds, expressed as a proportion of year-end lending, jumped from just under 1 per cent. to 1.8 per cent.

Thus in a perfect world, with 3 per cent. margins on the much higher volume, UDT might earn £20m. pre-tax. At the same time, *however, the figures underline* the vulnerability to an adverse trend in money costs and/or lending charges. Still the current evidence argues in favour of another useful improvement on last year's £11.1m., particularly as the shift in the mix of business towards the high margin areas—notably consumer credit—has yet to have its full impact. This is support for an historic p/e of around 16 at 186p.

Weather

U.K. TO-DAY

Most areas: Dry and bright first. Scattered showers developing, chiefly over Scotland. Wa[illegible] W. Midlands, S.W. Englan[illegible] *Becoming more cloudy* later w[illegible] some rain. Temps. near or a li[illegible] higher than yesterday's.

London, SE, E England, E Midlands, E Anglia
Mostly dry. Sunny spells. Wi[illegible] NW moderate. Near or bel[illegible] normal. Max. temp. 20C (68F).

Cen. S, SW England, Chan[illegible] *Isles, Wales, W Midlands*
Dry and bright at first. Clo[illegible] increasing, perhaps rain lat[illegible] Wind W backing SW later, lig[illegible] or moderate. Near normal. Ma[illegible] 20C (68F).

NW, Cen. N, NE England, Isle of Man, E, SW Scotland, Edinburgh, Glasgow, N. Irela[illegible]
Sunny spells. Occasion[illegible] showers developing. Wind W-N[illegible] light or moderate. Normal. Ma[illegible] 19C (66F).

Rest of Scotland
Sunny spells. Occasion[illegible] showers. Wind NW light [illegible] moderate. Normal. Max. 1[illegible] (61F).

Outlook: Rain in places at fi[illegible] mostly in E, otherwise sun[illegible] spells and showers.

BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Amstrdm.	C	22	72	Madrid	S	[illegible]	[illegible]
Bahrain	S	36	97	Manchstr.	R	[illegible]	[illegible]
Beirut	S	29	84	Melbourne	C	[illegible]	[illegible]
Belfast	R	17	63	Mexico C.	S	[illegible]	[illegible]
Belgrade	S	23	73	Montreal	C	[illegible]	[illegible]
Berlin	F	24	75	Moscow	C	[illegible]	[illegible]
Birmghm.	R	16	61	Munich	S	[illegible]	[illegible]
Bristol	F	19	66	Newcastle	F	[illegible]	[illegible]
Brussels	S	24	75	New York	S	[illegible]	[illegible]
Budapest	S	25	77	Oslo	F	[illegible]	[illegible]
B. Aires	S	21	70	Paris	S	[illegible]	[illegible]
Cairo	S	36	97	*Prague*	S	[illegible]	[illegible]
Cardiff	S	18	64	Reykjavik	S	[illegible]	[illegible]
Cologne	F	24	75	Rio de J'o.	C	[illegible]	[illegible]
Copnhagn.	R	15	59	Rome	S	[illegible]	[illegible]
Dublin	C	14	57	Singapore	C	[illegible]	[illegible]
Edinb'gh.	C	16	61	Stockholm	F	[illegible]	[illegible]
Frankfurt	S	25	77	Strasbourg	F	[illegible]	[illegible]
Geneva	S	29	84	Sydney	C	[illegible]	[illegible]
Glasgow	C	16	61	Tehran	S	31	[illegible]
Helsinki	S	19	66	Tel Aviv	S	[illegible]	[illegible]
H. Kong	S	30	86	Tokyo	C	[illegible]	[illegible]
Jo'burg	S	16	61	Toronto	C	[illegible]	[illegible]
Lisbon	S	24	73	Vienna	S	[illegible]	[illegible]
London	C	18	64	Warsaw	F	[illegible]	[illegible]
Luxembrg.	S	25	77	Zurich	S	[illegible]	[illegible]

HOLIDAY RESORTS

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Ajaccio	S	30	56	Istanbul	C	[illegible]	[illegible]
Alxndria	S	30	86	Jersey	R	[illegible]	[illegible]
Algiers	S	31	88	Las Plms.	C	[illegible]	[illegible]
Athens	S	30	86	Locarno	S	[illegible]	[illegible]
Barcelona	C	24	75	Luxor	S	[illegible]	[illegible]
Biarritz	C	21	70	Majorca	F	[illegible]	[illegible]
Blackpool	R	15	59	Malaga	S	[illegible]	[illegible]
Bordeaux	C	24	75	Malta	F	[illegible]	[illegible]
Boulogne	C	21	70	Nairobi	C	[illegible]	[illegible]
Casablnca.	C	24	75	Naples	S	[illegible]	[illegible]
Cape Tn.	C	21	70	Nice	S	[illegible]	[illegible]
Corfu	F	30	86	Nicosia	C	[illegible]	[illegible]
Dubrovnik	S	29	84	Oporto	S	[illegible]	[illegible]
Faro	S	23	73	Rhodes	S	[illegible]	[illegible]
Florence	S	33	91	Salzburg	S	[illegible]	[illegible]
Funchal	F	23	73	St. Moritz	S	[illegible]	[illegible]
Gibraltar	S	26	79	Tangier	C	[illegible]	[illegible]
Guernsey	C	16	61	*Tenerife*	C	[illegible]	[illegible]
Innsbruck	S	25	77	Tunis	S	[illegible]	[illegible]
Inverness	C	15	59	Valencia	S	[illegible]	[illegible]
I. of Man	C	16	61	Venice	S	[illegible]	[illegible]

S—Sunny. C—Cloudy. R—Rain. F—

Half-day walk-out planned on Clydebank next week

BY ANDREW HARGRAVE, SCOTTISH CORRESPONDENT

GLASGOW, August 10.

ANOTHER half-day demonstration involving a mass walk-out in the West of Scotland and beyond is being planned for Wednesday of next week by Upper Clyde shop stewards. At *a conference of more than 1,000* shop stewards here to-day, they were assured of massive financial support in their fight to retain the UCS yards intact.

The demonstration will follow the same pattern as the one on the afternoon of June 23, when around 100,000 workers downed tools and between 30,000 and 40,000 of them marched through the streets of Glasgow. This time the walk-out will not be confined to the Glasgow area; a delegate from Dundee promised to bring 20,000 to 30,000 into the streets of Dundee.

Lone voice

"Let us see that this is the biggest demonstration ever held in Scotland against unemployment," said Mr. James Airlie, chairman of the UCS joint shop stewards committee.

One lone voice against the walk-out came from a Church of Scotland minister, one of several attending the meeting. He was quickly followed by another who supported the demonstration because *unemployment was "totally* unacceptable."

Mr. Airlie also appealed to his fellow-stewards from all over Scotland (and a few from *England—Merseyside in particular*) for funds to support the work-in, now extended to all UCS yards. He hoped factories, workshops and shipyards would follow the example of workers at UCS and at the Hall Russell yard, Aberdeen, in imposing a weekly levy.

In addition to the levy, donations had come in from a number of unions and other organisations, amounting to thousands of pounds. An immediate response came from the Scottish miners who will discuss the question of a levy at pit level at a delegate conference in Edinburgh to-morrow.

An offer of different help was promised by the Scottish Transport and General Workers whose delegate announced that his members would refuse to operate tugs required to shift half-completed ships from the Clyde to Merseyside or any other place.

The delegates heard Mr. James Reid, one of the four-man deputation which met Sir John Eden, Minister for Industry, in London yesterday, declare that the *Government would make* "the gravest mistake ever" to imagine that reaction to the UCS crisis would be confined to "localised shouting and protest that would *die down in a week or two.*"

Mr. Reid, a senior shop steward at John Brown, Clydebank (one of the yards due to be closed) said it would have been "*simple but wrong*" to use the strike weapon against closures. The work-in was a new form of struggle, new tactics which would remain in force until the Government changed its policies —"or the British people changed the Government."

No decision

There is now a possibility—though no decision has yet been taken—that a "Clyde" design ship part-assembled at the Linthouse unit will be built at the *Scotstoun* Yard as originally intended.

The ship could have provided the first clash between the stewards and the liquidator, Mr. Robert C. Smith, whose first intention was to switch the ship to the Govan Yard. The economics of the position may dictate otherwise.

Reassurance to banks on new credit rules

By Michael Blanden

A GROUP of leading London banks with important money market activities have received reassurance from the Bank of England that their operations in this area will be protected under the Bank's new rules for credit control. This was disclosed yesterday by Sir Hugh Weeks, chairman of Leopold Joseph, in a statement at the annual meeting.

This is the first detail of the new credit policy, outlined in the Bank's mid-May document on "Competition and Credit Control," to become public. The new rules have been the subject of discussion *between the authorities* and the banks and finance houses, and are expected to be put into force fairly shortly.

Sir Hugh explained: "At one time we feared *this might* have a serious effect upon our money market activities; but we now know that we shall be able to continue as before."

The anxiety had arisen out of the Bank's plan to impose a basic reserve asset ratio on the big clearing banks, which would include various defined liquid *assets. There was doubt whether* the money market loans made by the banks to the group of financial institutions in question would qualify as reserve assets. *If they were excluded, the effect* would have been to damage greatly the activities of these institutions in the money market.

It is understood that the group *includes, besides Joseph,* Samuel Montagu, Keyser Ullmann, the Ionian Bank, the Algemene Bank and the Banque Belge. These banks have operated similarly to a *discount house, taking day to* day money from the clearing banks against the security of bills. It is understood that the clearing banks' loans to them are to be accepted as eligible reserve assets, subject to certain special accounting arrangements.

Parsons sacks 35 non-unionist senior engineers

BY ALEX HENDRY, LABOUR REPORTER

THIRTY-FIVE senior engineers employed by C. A. Parsons at Newcastle have been given one month's notice to quit their jobs because they have refused to join *a trade union.*

The men have received letters from Mr. K. J. Wootton, managing director, telling them they have been dismissed. The notices *run out at the end of this month.*

The company refused to comment yesterday or to say if it would recruit replacements for the sacked men some of whom *are long-service employees.*

Sole rights

Parsons decision to sack the men following an agreement it made in May, 1970, with the Draughtsmen's and Allied Technicians' Association — now merged with the Amalgamated Union of Engineering Workers—giving it sole negotiating rights for all technical staff, and promising that within one year membership of the union would be a condition of employment.

In his dismissal letters to the engineers Mr. Wootton points out that they were told in May this year that their conditions of service were being altered to make membership of DATA compulsory.

He adds: "As far as I am able to ascertain, you have not to date complied with this condition and are therefore in breach of your contract of employment."

The men are members of the United Kingdom Association of Professional Engineers, which yesterday asked the Department of Employment to intervene. A spokesman for the Department said last night it was considering the case.

The Association is also examining the possibility of taking out *an injunction to prevent Parsons* sacking the men.

Mr. K. R. Peplow, general secretary of UKAPE, has written Mr. Wootton asking him to hold the dismissal notices in abeyance until the DE has commented on the situation.

The Association believes that when the Industrial Relations Act is implemented it would not be possible for Parsons to sack the men for refusing to join a union. The Act does include a conscience clause where an agency shop has been provided and an employee does not want to be a member of a union.

But agency shop agreements *are open to registered* unions only. The AUEW—with which DATA has merged—has said it will not remain registered under the new legislation.

However, UKAPE has said it will be registered, which means it will have an opportunity to use the industrial relations machinery established by the Act to try to gain recognition at Parsons and nullify the agreement with DATA which has led to the engineers being dismissed.

£2¼M. P.O. ORDER FOR ITT CREED

The Post Office has placed a £2.25m. contract with ITT Creed, a subsidiary of the International Telephone and Telegraph Corporation of *the U.S.,* for *4,000* teleprinters for use in the telex and private circuit telegraph services. This is the third half-yearly part of a three-year contract, bringing the total to date to 13,000 teleprinters worth £6.75m.

Cavenham tops latest offer by Rowntree for Bovril

BY SANDY McLACHLAN

CAVENHAM reacted swiftly yesterday to counter Monday's higher Rowntree Mackintosh offer for Bovril. At the annual meeting in the morning Cavenham chairman Mr. Jimmy *Goldsmith announced that* Cavenham had added a further 7 per cent. of the Bovril equity to its holding at an average price of 460p, and intimated that a suitably higher offer would follow.

In the afternoon Cavenham announced a new offer which values Bovril at 475p a share, *putting a price tag of £14.5m.* on the company. This is Cavenham's third bid, and the fifth so far in the Bovril auction which started at £9.5m. The other two *bids have come from Rowntree* Mackintosh whose second offer, announced on Monday, valued Bovril at 436½p a share.

Beecham is still an interested *observer on the sidelines,* while the Argentinian syndicate headed by Mr. Juan Del Azar is interested in Bovril's Argentine interests.

It has been clear throughout the battle so far that the sympathy of the Bovril Board lies with Rowntree Mackintosh. Both the Rowntree bids have gained the support of the *Bovril Board, which irrevocably* committed its own shareholding to the first Rowntree offer worth some 355p a share.

In late trading last night Bovril shares rose above the offer price yet again, though by a much smaller margin than previously. In after hours dealings the shares were 10p better *on the day at 477½p, reflecting* hopes that the support of the Bovril Board would tempt Rowntree to match, or improve on, the Cavenham offer. Last night Rowntree's advisers, Hill Samuel, said they could make no comment at this stage.

Book value

The terms of the new Cavenham offer are nine Ordinary shares plus 800p nominal of 10 per cent. partly convertible unsecured loan stock, plus 200p nominal of 11 per cent. unsecured loan stock 1976, for every four Bovril Ordinary shares

At the Cavenham AGM (which also shortened the company's name from Cavenham Foods to Cavenham) Mr. Goldsmith said that buying in the market had raised Cavenham's stake in Bovril to almost 20 per cent.

At the same time he announced that contracts had been exchanged in respect of a deal with Southland Corporation of Dallas, Texas. Southland is to acquire 49.99 per cent. of Cavenham's U.K. retailing interests for a cash consideration of £3.33m., subject to an upward or downward variation to a maximum of 30 per cent. depending on trading profit performance to the end of March, 1973.

This values the whole of *Cavenham's retail operation* at £6.66m., compared with a book value of £1.2m., of which only £700,000 is net tangible assets, with the rest as goodwill.

SASSABY START[S] ROTTERDAM RU[N]

The Sassaby—the latest European Unit Routes' [illegible] containerships—has started o[illegible] tion on the company's ser[illegible] between Tilbury and United Rotterdam.

Continued from Page 1

Sniping continues

Routine business in Belfast itself has been seriously disturbed. Many employees did *not report for work this morning* or went home early this afternoon, and people are generally afraid to venture out into the streets, even in the downtown parts of the city.

Many stores which had opened refused to deliver supplies to hotels and other customers (in some cases, because their lorries and vans had been hi-jacked and set on fire), and bus services did not operate in a number of troubled areas. As night fell, all bus services were stopping in Belfast.

The Army's task of trying to get directly at the gunmen is being made all the more difficult by rival groups of women and children confronting each other on the streets. Sectarian abuse is being hurled across barricades, and in some parts of Belfast the soldiers appear to have given up at least temporarily on the task of clearing the streets of burned-out cars and buses, paving stones and old bedsteads. Many of the troops are visibly exhausted, *some having managed* to get no more than two or three hours sleep a night for the past three nights.

The Rev. Ian Paisley, who has condemned the internment measure on the basis that most IRA leaders had already escaped across the border to the Republic, had a meeting to-day with the Prime Minister, Mr. Brian Faulkner. He demanded the immediate recall of Parliament and a declaration of a state of emergency.

Cardinal Conway, in a radio *interview,* called on Roman Catholics throughout the province to exercise all possible restraint, no matter what provocations they were exposed to. He said that he could see no immediate or simple solution to the problem, but added that peace in the long term would require decisions of a political nature.

Process plant makers must expand outside U.K.—Neddy

BY DAVID WALKER

THE need for British process plant manufacturers to concentrate on import substitution and overseas markets if their business is to expand is underlined in a National Economic Development Office report published yesterday.

The report, prepared by the NEDO Process Plant Working Party, suggests that investment in hardware by process industries in the U.K. will remain fairly static, at least till 1973, despite substantial changes in individual sectors.

"One important consequence is that plant manufacturers will not be able to look for expansion of their business through an expansion of the home market," it comments.

With rising productivity and static demand, the report further observes, employment in process plant manufacturing will decline.

This year, according to the working party, the six process industries—chemicals, oil refining and distribution, gas manufacture and distribution, steel manufacture, electricity generating, and *food processing*—will spend £553m. (at late 1970 prices) on hardware and maintenance.

That compares with a provisional total of £514m. at then current prices for expenditure last year.

Investment fall

For 1972 and 1973, the forecasts are virtually the same, at £552m. and £547m. respectively, again at late 1970 prices. The estimates are little changed from those made 12 months ago.

Within those similar totals, however, individual industries show wide variations. The major fall in investment is coming in the chemicals sector, where expenditure this year is put at £166m. against £170m. in 1970, dropping to £141m. next year and again to £130m. 12 months later.

In each case, the forecast is well down on that made a year ago. At the same time, that result had been expected, with well-publicised cash-flow problems, low price levels, and world over-capacity, particularly in petrochemicals, working against any increases in investment levels. Little improvement is expected before 1974/75.

Only two months ago, the Chemical Industries Association revealed sharp downward revisions in its forecasts.

That decline, however, is more than compensated for by increases in spending by the oil refining industry. Investment there is expected to be a record £57m. this year against £32m. in 1970, advancing again to £72m. in 1972 and reaching £75m. a year later.

Yesterday, however, it was being pointed out that the growing delay in obtaining planning permission for refinery projects as environmental factors become more taken into account, could seriously affect that.

On exports, which in the main result from orders to U.K. contracting companies rather than direct to manufacturers, the report is fairly optimistic.

The contractors' target for overseas business this year is £400m., of which 60 per cent. is hardware. That compares with a total export business of only £190m. last year

Process Industries Investment Forecasts. Process Plant Working Party; NEDO, free.

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New machine to speed coiling of steel rolls

By Our Own Correspondent

CARDIFF, August 10.

A STEEL strapping machine *claimed to be the first of its kind* in Europe and made in West Wales, is being installed on a new pickling line at the British Steel Corporation's Llanwern works.

It will come into full production in October and will be used to speed the coiling of rolls of steel and is capable of giving a maximum tension of up to 3,500 lbs.

Designed by Signode, the *machine will apply 1¼-inch* by .031-inch high-tensile strap to the circumference of a coil of the maximum outside diameter of 100 inches and is capable also of banding a complete range of sizes down to 30 inches outside diameter coil.

Reduction in port additional surcharges

THE U.K.-West Africa Lines Joint Service yesterday announced that it was to reduce the port additional surcharges on cargo handled at Liverpool and London by about 50 per cent. from September 1.

The surcharges were introduced in March owing to additional costs and handling delays and the reduction is an indication of the improving productivity in these major ports. The new charges will be Liverpool: 50p per freight *ton of cargo and 45p per cubic* metre of timber; London: £1 per freight ton of cargo and 90p per cubic metre of timber.

The lines say that in view of continuing excessive costs at Hull the surcharge there will remain unchanged at £1.50 per freight ton